

City of Pontiac, Michigan

Proposed Budgets

2015-16 Fiscal Year

2016-17 Fiscal Year

www.pontiac.mi.us

248-758-3000

Contents

Community Profile	3
Organizational Chart	4
Budget Process	5
Description of Funds Subject to Appropriation.....	7
Description of Activities, Services, and Functions.....	10
Budget Message – Mayor.....	11
Budget Message – City Administrator.....	16
Financial and Operating Plan - Progress Report.....	25
Capital Projects.....	39
Debt Obligations.....	47
Proposed Tax Rates to Support 2015-16 Budget	50
Performance Dashboard	51
Trends.....	52
Budgeted Third Party Services with Direct Cost to the City, 2015-16.....	56
Budgeted Third Party Services with Direct Cost to the City, 2016-17.....	57
Services Provided by other Governments at No Cost to the City	58
Staffing Levels.....	59
Cost of Employees	60
Glossary	65
Budget Summary, 2015-16 Fiscal Year.....	Appendix A
Proposed 2015-16 Budget Amendment.....	Appendix B
Budget Summary, 2016-17 Fiscal Year	Appendix C
Proposed General Appropriations Ordinance, 2016-17 Fiscal Year.....	Appendix D

Community Profile

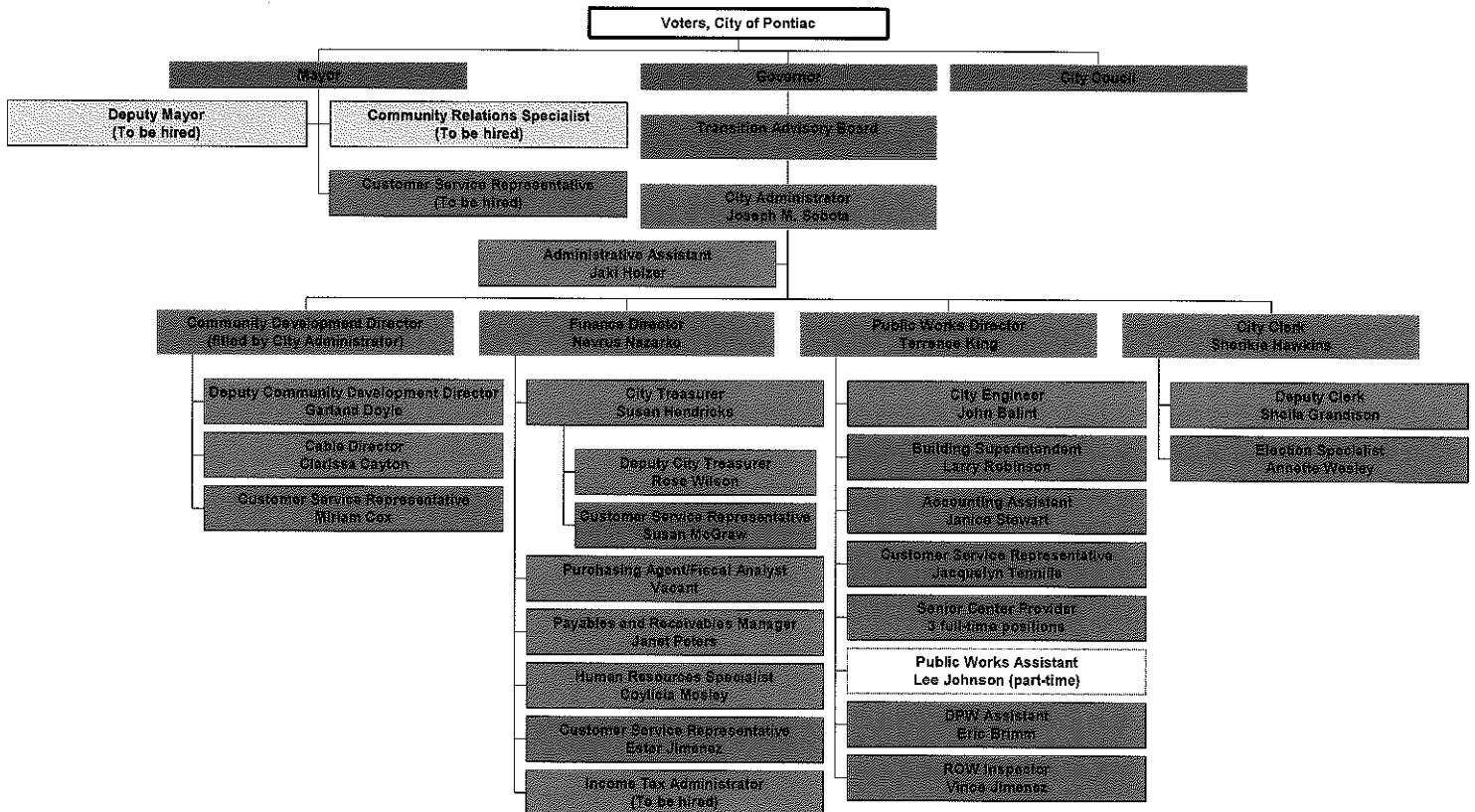
The City of Pontiac, incorporated in 1861, is a 20-square mile city, the county seat of Oakland County, Michigan. The 2010 census reported a population of 59,515. Pontiac is organized as a home rule city under the laws of the State of Michigan and is operating under a city charter amended and effective May 3, 1982. The city charter establishes a strong-mayor form of government with a part-time seven-member city council elected in districts. The mayor appoints all department heads with confirmation by the city council to be made within 30 days, except the city clerk whom is appointed by the city council. The city council as a body or any council member is expressly prohibited from providing any order or direction, either publicly or privately, to any employee or appointee of the executive branch. The mayor must attend all city council meetings. The mayor has the authority to veto resolutions or ordinances adopted by the city council.

Since July 1, 2009, the City of Pontiac's finances have been under the superintending control of the State of Michigan because of a financial emergency; technically, the City is considered in "receivership" under Public Act 436 of 2012. The State of Michigan appointed three successive emergency financial managers/emergency managers to address the causes of the financial emergency and develop a fiscal and operating plan that aligns the City's expenditures with realistic projected revenues. The City's revenue base decreased nearly fifty percent over a span of six years, making the fiscal problems more challenging to address. Since the appointment of the first emergency financial manager, the City's operating structure has radically changed and has resulted in improved service delivery at a lower cost to the tax payers. The City has gone from a traditional operating model of services provided directly by city employees who receive benefits in addition to salary to an operating model of services provided either by neighboring government agencies or by private contractors that specialize in providing such service at a lower cost. These service providers are monitored by a small group of city employees, most of whom do not receive any benefits.

On August 19, 2013, the last emergency manager of the City of Pontiac tendered his resignation to the governor. Before his departure, the emergency manager issued a final order (S-334) which delegated day-to-day administrative responsibilities to a city administrator who reports directly to the transition advisory board that the governor appointed. Actions taken by the mayor and city council are subject to review by the city administrator and the transition advisory board. The final order was amended April 23, 2014. Copies of all orders issued by the last emergency manager are available on the City's website.

Organizational Chart

City of Pontiac Organization Chart - Proposed July 1, 2015



Key

Red – Elected Official

Gray – Personal Staff Member, salaried

Mid Blue – Executive Exemption, salaried

Cyan – Administrative Exemption, salaried

Light Green – full-time, non-union, hourly

White – part-time hourly

Note – One full-time Customer Service Representative and three part-time crossing guard positions not depicted report to the Oakland County Sheriff.

Budget Process

The budget process in the city charter in Section 5.102 is outlined as follows:

- The department heads are to provide to the mayor their budget estimates and requests.
- By May 30, the mayor is required to present to the city council a proposed budget and a proposed annual appropriations ordinance. The budget is to be balanced.
- According to the Budget Hearings of Local Governments Act (MCL 141.411 *et seq.*), the city council shall advertise in a newspaper of general circulation that the council will hold a public hearing on the proposed budget and tax rate to support the budget. Notice of the hearing must be published at least six days before the hearing.
- The city charter requires that an ordinance, except an emergency ordinance, is published in a newspaper of general circulation before the effective date. An emergency ordinance must still be published. The mayor has the ability to issue a full veto or a line-item veto of the proposed budget ordinance. For a normal ordinance, the clerk shall present the mayor the proposed budget ordinance within four business days after the ordinance is adopted. Upon receipt, the mayor has seven calendar days to issue his veto or sign the ordinance, except the mayor shall notify the clerk within 24 hours of the receipt of an emergency ordinance of his intention to veto. The council has seven days from receipt of the veto to consider an override.

The Code of Ordinances further directs the City's budget process as follows:

- On or before March 15 in each year, the finance director shall distribute the budget request packet to each department head, whom shall return the completed budget request packet to the finance director on or before April 1 in each year.
- On or before April 15 in each year, the finance director shall transmit the departmental requests to the mayor, who may revise or alter the estimates, and then shall return a copy of a balanced budget as revised to the finance director for tabulation on or before May 1 each year along with a list clearly indicating the changes the mayor made in order to arrive at a balanced budget.
- The finance director shall recalculate the balanced budget proposed by the mayor and shall inform the mayor of any inconsistencies.
- On or before May 15 in each year, the mayor shall submit to the city council the proposed budget and appropriations ordinance for the ensuing two fiscal years and the proposed tax rate for the ensuing fiscal year. The proposed budgets shall be balanced. The mayor shall provide a budget message with the proposed budgets that identifies revenues, expenditures, and significant revenues and significant expenditures.
- On or before June 2, the City Council shall authorize and publish a notice of public hearing on the proposed budget and tax rate and shall introduce the proposed appropriation ordinance at a City Council meeting.
- The City Council shall not amend the proposed appropriation ordinance or tax rate until after the public hearing. The City Council shall be permitted to make unlimited amendments to the budget subsequent to the public hearing on the budget and before its adoption.

- By June 9 and no less than six days after the notice of public hearing on the proposed budget and tax rate is published and the proposed appropriation ordinance had been introduced at a City Council meeting, the City Council shall hold a public hearing on the proposed budget and proposed tax rate and shall adopt an appropriations ordinance and tax rate. The budget shall be adopted on a functional basis for expenditures, rather than on a departmental or line item basis.
- At the meeting wherein the City Council adopts the appropriations ordinance, the Council shall adopt a resolution setting user fees for the ensuing fiscal year. Such fees shall be amended or waived by the City Council from time to time during the fiscal year only upon recommendation from the Finance Director and Mayor.

The 2015-16 budget was prepared by the mayor and adopted by the city council on June 5, 2014. The transition advisory board has not yet approved this budget. Any amendments to the 2015-16 budget must be approved by the city council and the transition advisory board. This document contains proposed amendments to the 2015-16 budget.

For the 2016-17 budget process, the finance director submitted the departmental budget requests to the mayor on March 30. The mayor met with the city administrator, finance director, and the department heads during the month of April to review the requests. On April 23, the mayor completed her review of the budget requests and submitted a proposed budget to the finance director. The mayor presented the proposed budget to the Treasury Department for review on April 29. The mayor's proposed budget must be submitted to the city council on or before May 15. Under the revised Order S-334, the mayor is responsible for preparing the proposed budget. Before the mayor's budget is presented to the city council, the Michigan Department of Treasury must review the budget. The city administrator is responsible for presenting the proposed budget following the review of the Treasury Department.

Under the charter, the budget would be amended in the same process used to amend an ordinance, unless the appropriations ordinance permits a different method. With the departure of the emergency manager, the mayor is responsible for monitoring the budget and proposing budget amendments as necessary. The city council is permitted to amend the budget with the approval only of the transition advisory board such should body still exist.

During the fiscal year, the finance director will present monthly revenue and expenditure reports to the city council to the same detail level as the adopted budget. The finance director will also present monthly balance sheets. These financial reports will be discussed with the city council finance committee.

Description of Funds Subject to Appropriation

The City has prepared the budget in accordance with generally accepted accounting principles (GAAP). All funds of the City use modified accrual accounting, except enterprise and internal service funds which use full accrual accounting. The following funds are subject to appropriation in this budget document:

General Fund: The General Fund is the main operating fund of the City as nearly all of the City's daily operations are funded by the General Fund. The General Fund accounts for and reports all financial resources that are not accounted for and reported in another fund. The General Fund derives its revenue from three major sources: city income tax, state revenue sharing, and property taxes. In addition, certain functions in the General Fund are supported by user fees. Every municipal government in Michigan has a General Fund.

Special Revenue Funds: Special revenue funds are used to account for and to report the proceeds of specific revenue sources that are restricted or committed to spending for purposes specified by an external source. The City's special revenue funds reflected in this budget are:

- **Major Street Fund** - Gas tax revenue distributed by the State of Michigan to the City which is restricted to construct and maintain streets classified as "major" in the City. Applicable legislation: Public Act 51 of 1951.
- **Local Street Fund** - Gas tax revenue distributed by the State of Michigan to the City which is restricted to construct and maintain streets classified as "local" in the City. Applicable legislation: Public Act 51 of 1951.
- **Senior Activities Fund** - Property tax revenue levied specifically for the operation of facilities that primarily benefit senior citizens. The City funds operations at the Ruth Peterson and Robert Bowen senior centers. This millage was approved by voters on November 7, 2006 and expires in 2016. Applicable legislation: Public Act 39 of 1976.
- **Chapter 20 Drains Fund** - Special assessment revenue levied specifically for the maintenance of storm drains in the City. Applicable legislation: Public Act 40 of 1956.
- **Sanitation Fund** - Property tax revenue and user fees levied specifically for the collection and disposal of garbage in the City and the operation of the City's landfill. Applicable legislation: Public Act 298 of 1917.
- **Cable Fund** - Fees paid by subscribers to cable and internet service provided by Comcast and AT&T which are restricted for use by the City to maintain and operate a cable television studio. Applicable legislation: Public Act 480 of 2006.
- **Tax Increment Finance Authority Area #2 Fund** - Property tax revenues on specific parcels captured for the sole purpose of supporting a specific development plan. These funds are supervised by the Tax Increment Finance Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 450 of 1980.

- **Tax Increment Finance Authority Area #3 Fund** - Property tax revenues on specific parcels captured for the sole purpose of supporting a specific development plan. These funds are supervised by the Tax Increment Finance Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 450 of 1980.
- **Brownfield Redevelopment Authority Fund** - Property tax revenues on specific parcels captured for the sole purpose of reimbursing developers for costs incurred for redeveloping brownfields in the City. The City has three active brownfield plans: USF Holland, Saginaw Street Industrial, and Lafayette Lofts. These funds are supervised by the Brownfield Redevelopment Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 381 of 1996.
- **Building Department Fund** - Fund supported by user fees paid by applicants for construction code permits, rental inspections, and business licenses along with a supplement from the General Fund as the fees do not cover the cost of providing the construction code services. This fund is created for the 2015-16 fiscal year to address the note deficiency identified in the City's annual financial report because of the City's failure to properly calculate the actual cost for provide construction code services.
- **Drug Enforcement Fund** - Funds seized from drug dealers under federal and state law that can be used for specific law enforcement purposes. Applicable legislation: Public Act 368 of 1978.
- **District Court Fund** - Fund used to support the operating expenditures of the 50th District Court. The 50th District Court is an agency of the State of Michigan that is funded by the City of Pontiac.
- **Public Act 48 Telecommunications Fund** - Fees paid by telecommunications providers to the State of Michigan which are restricted for use by the City for maintenance of rights of way. Applicable legislation: Public Act 48 of 2002.

Capital Project Funds: Capital project funds are used to account for and report the financial resources that are restricted, committed, or assigned to be used on capital outlays, including the construction or acquisition of facilities and other capital assets.

- **Capital Improvement Fund** - Property tax revenue levied specifically for the construction and acquisition of capital outlays. This millage is authorized by the City charter.

Debt Service Funds: Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned only for principal and interest payments for issued debt. The City has no debt service funds.

Proprietary Funds: Proprietary funds are used to account for and report financial resources that receive significant support from user fees and charges. Proprietary funds do not require an adopted budget under state law, but the City has chosen to adopt budgets for such funds. Proprietary funds are accounted for on a full accrual basis rather than a modified accrual basis.

- **Parking Enterprise Fund** - Fund supported by user fees paid by users of City owned and operated parking lots and the Phoenix Center garage. The City no longer operates any parking lots and has closed the Phoenix Center because operating revenues did not support operations, let alone capital needs. An appropriation is made for the demolition of the Phoenix Center and the subsequent sale of the land and disposition of the proceeds of the sale. The Parking Fund will be closed upon the demolition of the Phoenix Center.

Internal Service Funds: Internal Service Funds are proprietary funds that are used to report any activity that provides goods or services to other funds, departments, or agencies of the City and its component units or to other governments on a cost-reimbursement basis. Internal service funds are budgeted and reported in the full accrual basis.

- **Self Insurance Workers Compensation Fund** - Used to report the financial resources committed to pay all expenses associated with workers compensation claims against the City before July 1, 2012.
- **Employee Sick and Vacation Fund** - Used to accrue cash to pay off earned but unused sick and vacation time by City employees upon their retirement or separation from the City.
- **Insurance Fund** - Used to report the financial resources committed to pay the health, dental, and life insurance expenses of the City's active employees who receive such benefits and the City's retirees and to pay the property and general liability insurance expenses of the City and associated administrative costs.

Fiduciary Funds: Fiduciary funds are used to account for and report financial resources that the City holds as a trustee or agent on behalf of an outside party that cannot be used by the City to support the City's own programs. Therefore, fiduciary funds are not budgeted. Fiduciary funds used by the City include the Tax Collection Fund, Payroll Fund, and Fire Insurance Withholding Fund.

Description of Activities, Services, and Functions

General Government

- Operations under this category include the city council, mayor, clerk, attorney, human resources, assessing, income tax, information technology, treasurer, finance administration, and building maintenance. These are the core roles that are required for a government to function.

Public Safety

- Operations under this category include police, fire, building safety, and crossing guards. These are the roles that a city uses to keep the public safe.

Public Works

- Operations under this category include DPW administration, engineering, and street lighting which are funded by the General Fund and road construction, summer road maintenance, winter road maintenance, and traffic control which are funded by a grant from the State of Michigan (Act 51).

Community Development

- Operations under this category include contributions to the Tax Increment Finance Authority to offset the shortfall of tax captures to make bond payments, organization and record management of the former Pontiac Growth Group and Federal Programs Office, management of City property sales, planning and zoning, and proactive economic development initiatives.

Recreation and Culture

- Operations under this category include expenses related to park maintenance and the historic district commission.

Other Functions

- Operations under this category include funding for retiree pension and insurance benefits.

Debt Service

- This is the area that reflects payments on outstanding bonds. The City no longer has General Fund debt.

Transfers Out

- These are diversions of money in the General Fund to support activities in other funds that do not have enough revenue to cover basic operations. This includes transfers out to support the 50th District Court.

Budget Message – Mayor



CITY OF PONTIAC OFFICE OF THE MAYOR

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

May 15, 2015

Dear Honorable City Council Members and Citizens of Pontiac:

This budget document represents my budget priorities for the 2015-16 and 2016-17 fiscal years.

As Mayor of the City, I submit to you the balanced budget for the years 2016-2017. This budget encompasses the collective work of the many elected officials, decision makers and staff who have contributed their field of expertise to its development. The budget also reflects my administrative priorities.

PRIORITIES:

1. Economic recovery with economic development projects.
2. Strategic implementation plan as being developed by the Economic Recovery Plan report to the EDA.
3. Strengthen the neighborhoods.
4. Develop the Oakland University partnership.
5. Attract new jobs for Pontiac residents.
6. Create an arts collaborative and activate the Arts Commission.
7. Blight removal and eradication.
8. Vacant land development.
9. Rejuvenate the park system.

This budget is significant in being the first one submitted post the years of Emergency Manager assigned budgets. The economic indicators listed on this fiscal summary also demonstrate a healthy fund balance which exceeds the benchmark set by the State Treasury as part of the criteria for the City to move out of receivership. For a City that was still considered to be in financial distress when I took office in January 2014, this is a huge accomplishment. This revitalized economic picture certainly encourages the forecast for our City.

Of course, the City still faces significant challenges e.g. the litigation issues (retirement, Phoenix Center). It is of ultimate concern that these matters receive favorable disposition to avoid upending the City's newly established success. To that end, we are working diligently to provide an appropriate disposition for these matters.

The 2015-2016 Budget as presented reflects policy priorities. These policies were defined during my campaign for public office and furthered by the work of the transition committees and other groups who are in collaboration to achieve mutual goals.

The Economic Recovery Plan for the City of Pontiac is near completion. With Dan Hunter, Oakland County's Deputy Director of Economic Development and Community Affairs, we co-chaired the broad committee that will submit the final report to the EDA by May 31 this year. This study was funded by a grant from the EDA as well as support from Oakland County. The planned pillars enumerated in this plan also echo the strategic initiatives for this City.

PLANNED PILLARS:

- a. Educate and develop the workforce.
- b. Advance strategic growth areas.
- c. Enhance the local brand and image.
- d. Improve the local quality of life.
- e. Promote development in priority areas.
- f. Align and empower the implementers.

This budget also reflects the monetary support for consensus strategic objectives. These objectives have been formulated through the many meetings with citizens, city council, civic and business groups, and in particular, from the crafting of the economic recovery plan for the City. The monetary support for implementation of these consensus strategic objectives is an indication of their policy importance to Pontiac's revitalization. This plan **will form the strategic implementation** for the City as it is drafted.

Another Mayoral priority which is implemented by this budget is the **principle of a shared vision and a shared prosperity**. As the community has recovered from the period of financial distress, with a stronger balance sheet, it is our intent that the prosperity of this recovery

should be shared also with our citizens who were affected by the downturn. Implementation of this strategy is seen in several line items, most particularly in the line item by which general fund subsidy would support not just a reduction in the business fees, but also a reduction in the permit licensing fees that affect the economics of the average citizen. It is also reflected in the allotment which can be assigned to Strategically planned initiatives aimed at strengthening neighborhoods.

Given the **City's enhanced position of financial stabilization**, economic and community development become the key indicators by which the City can provide growth as well as the amenities of a livable, sustainable community. This budget assigns functional capacity as well as funding for the key priority areas in those departments. This budgetary plan would realign some areas of responsibility in economic and community development. These include the senior programming and senior enhanced activities which are now staffed by our senior services director and senior providers. Staffing would also be enhanced by redefining the role of the Community Relations Specialist. Although blight and nuisance

abatement are still focal points of interest, other priority areas of interest for community development include:

1. Recruitment, support and retention efforts for business and entrepreneurs.
2. A functioning citizen response system to supplement communication with City Hall and staff attentiveness to citizen needs.
3. Liaison for communicating with and strengthening our neighborhood groups.
4. Providing recreation and other quality community programs.
5. A functional unit for implementing key initiatives of the economic recovery plan.

This budget verifies a fiscal policy that supports the priority interest areas with funding support. Without funding support, any proposed plan of community development would otherwise be merely a wish list on paper.

A look back at the accomplishments of the various departments will establish what has been done during the past year under relatively constrained budgets.

The office of City Clerk also functions as the secretary to the City Council. The 2014-2015 accomplishments cited by the department include:

1. Successfully administered the Primary and General Election of the 2014 Election Cycle.
 - a. Processed over 5,407 absentee ballots.
 - b. All staff members of the Office of the Clerk successfully completed continuing education requirement for the Michigan Department of State Election Officials Accreditation Program.
2. Updated and completed the codification of all City ordinances.
3. Contributed to municipal transparency by formatting and linking 54 City Council agenda packets to the City website.
4. Completed minutes to all City Council Meetings within a 48 hour period.
5. Served as the telephone operator for the City and handled over 21,000 calls.
6. Posted all meeting notices in accordance to the Michigan Open Meetings Act.
7. Administered and participated in over 20 voter registration drives throughout the City.
8. Served as secretarial support to the Charter Review Commission.

The Department of Public Works has strived to provide residential and business customers with punctual and effective services. The DPW accomplishments of the past year include:

Public Works

1. Street repairs/pot holes – 60,000.
2. Street lighting, replaced 60-70% of all street lights with LED – annual savings \$275,000. City cost of \$900,000 expense will be recaptured in three years. LED fixtures are warranted for ten years.
3. Removal of 92 dangerous trees.
4. Responded to 100 storm damaged tree emergencies.

Parks

1. Murphy Park and Beaudette Park Comfort Stations renovated and brought up to code.
2. Repaired docks and pier at Galloway Park, Beaudette Park and Dawson Mill Pond.

Engineering

1. Bridge surveys completed for 17 critical bridges.
2. Right of Way permits – 601 permits issued in 2014, inspections for roads and utilities.
3. Engineering and plans completed for MLD Reconstruction and Featherstone Bridge Reconstruction.
4. Storm Water Master Plan, completed 3000 storm drain basin inspections and cleaning.
5. Storm drain outfall inspections and illicit discharge testing.
6. Preventative maintenance schedule completed for 2015 storm drains.
7. PASER Pavement and Surface Evaluation Rating completed for all local street.
8. One staff member trained to perform and rate streets.
9. Street load evaluations completed and Truckers Map prepared.
10. Oakland County Health Department grant for Clinton River signage, Orchard Lake at Beaudette Park.
11. Hired former DPW employee as ROW Inspector to oversee field construction and permitting.

The 2015 DPW **department goals** that are funded in this budget include the following:

Parks

1. Install boat dock and fishing pier at Hawthorne Park by DPW personnel.
2. Remove invasive plant and tree species from Hawthorne Park.
3. Green initiative – implement Pilot Program to replace lights with solar lights at Galloway Park and Beaudette Park.
4. Reopen comfort station at Hawthorne Park which has been closed for seven years.
5. Remove and replace outdated playground equipment at all parks.

Engineering

1. N. Saginaw between Woodward and Montcalm total reconstruction of roads.
2. Replacement of Featherstone Bridge.
3. Design of Joslyn Avenue.
4. Re-stripe City roads.
5. Contractor on board to respond to road repairs, sunken basins (ex. Hollywood & Carlisle.)
6. Clean an additional 2000 basins.
7. RFQ Prep for removal of dangerous pedestrian bridges.
8. Replace street lighting downtown.
9. Install new signals and street widening at Giddings and Walton in partnership with Notre Dame Prep School.
10. Grant received for repairs to Centerpoint Parkway.

City Hall

1. Updating of structural and alarm system at City Hall and the Sheriff Department.

The Finance Department also cites successes of the 2014-2015 budget years. The main bullet points demonstrating these attainments are:

Finance Department

- Establishing a balanced budget for the expiring fiscal year as well as the next two years as required.
- Maintaining strong fiscal controls and obtaining a surplus revenue fund which has now exceeded the 15% benchmark set by Treasury.
- Achieving returns from investing excess general funds in the Oakland County investment pool.
- Adhere to accepted guiding principles and a carefully monitored system of checks and balances.
- Reported a healthy fund balance which represents an increase of more than 2,500,000 from June 30 2014.
- Produced timely financial statements and audits and fulfilled requirements for reporting to the RTAB. The 2014 audit received an unmodified opinion to the City's and Finance Departments credit.
- Increased income tax revenue collections by over 1,000,000 through better enforcement and by collaborating with the State of Michigan to obtain accurate records.
- Setting a calendar to periodic review of all City contracts on an annual basis. The CFO, as Chief Compliance Officer of the City, is charged with assuring vendor compliance and timely deliverables even though Order No. S-334 appears over. The Mayor's participation in such negotiations is clear that the City's budget can be mutually affected by the outcomes. To that end it is appropriate that I continue to push for a greater role in negotiating such contracts.

Overall this budget reflects the City's needs, supports initiatives to enhance growth and to provide a livable, sustainable environment for a culturally and economically diverse community. As the City emerges from a period of retrenchment and rediscovery, we can be guided by a new collective vision for the stability of our future.

Dr. Deirdre Waterman
Mayor

Budget Message – City Administrator



CITY OF PONTIAC

OFFICE OF THE CITY ADMINISTRATOR

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Telephone: (248) 758-3133
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June 12, 2015

Taxpayers of the City of Pontiac:

On June 11, I received a telephone call from the Michigan Department of Treasury that the process that the City followed to adopted the 2015-16 budget in May of 2014 could not be recognized under State Law, and as a result, the budget amendment to the 2015-16 budget that was adopted by the City Council on June 8 would also not be recognized. The City was required to begin the budget approval process from the beginning with the presentation of the budget by the mayor to the City Council.

Because of the late notice of the change in procedure and legal requirements for public notice and adoption, the text of the proposed 2015-16 budget constantly refers to budget amendments. Please read the 2015-16 references as a proposed budget rather than a proposed amended budget.

May 15, 2015

Taxpayers of the City of Pontiac:

A proper budget document should serve four purposes to the reader. First, the budget is a policy document in which the policies that guide the City and shape the budget are clearly stated. Second, the budget is a financial plan in which information about revenues and expenditures by fund are clearly displayed and which the short-term and long-term financial prospects of the City are discussed. Third, the budget is an operations guide that identifies the level of funding for a described service. Finally, the budget is a communications device that gives residents a clear explanation how public funds are being spent. This budget document seeks to meet all four purposes identified above. The reader will find the greatest explanation and detail in the budget message.

2015-16 General Fund Budget Amendments

The 2015-16 fiscal year budget adopted in June of 2014, prepared according to generally accepted accounting principles, projected General Fund revenues and transfers in of \$28,685,937 and projected

expenditures and transfers out totaling \$28,686,119. The proposed amended General Fund budget for the 2015-16 fiscal year, prepared according to generally accepted accounting principles, projects General Fund revenues and transfers in of \$31,061,813 and proposes expenditures and transfers out totaling \$32,075,468. The amendment will result in a \$1,013,655 operating deficit. The General Fund is forecasted to have a fund balance of \$7,130,734 as of June 30, 2016, an increase of \$1,999,218 from June 30, 2014. Although the fund balance appears healthy, if the fund balance is more closely examined, about \$850,000 will be considered nonspendable because the fund balance will be comprised of prepaid expenditures and inventory; however, the fund balance will exceed the City's target of fifteen percent of expenditures. Compared to the original General Fund budget adopted by the city council, projected revenues and transfers in have increased \$2,375,876 and projected expenditures and transfers out have increased \$3,389,349.

A more detailed summary of the amendments to the 2015-16 budget follows and a copy of the resolution to amend the budget (including those that have no need for amendment) are included in Appendix A and Appendix B. Readers may refer to the 2014-15 and 2015-16 budget document approved by the City Council for a detailed discussion of the 2015-16 budget adopted in June of 2014.

The City's control over the 2015-16 budget is limited. Although amendments can be made, such amendments must be approved by the transition advisory board. The amendments must serve a critical operational need for the City in order to be considered and approved. The proposed amendments to the 2015-16 budget are attributed to two major reasons. First, the City needs to recognize significant changes in revenue and fund balance projections from one year ago. Second, the Mayor wants the City to spend public dollars on projects and services that will immediately and positively impact the public rather than saving the money which would not immediately benefit the public. Nearly every fund of the City required amendments.

The changes to the 2015-16 General Fund budget to rebalance the budget previously adopted by the city council are described as follows:

Changes in Inflows

In summary, revenue increases were attributable to two main sources: \$1,001,823 net increase in property tax collections and \$800,000 from increased income tax collections. The City also has identified new recurring revenues in this amendment, including \$96,000 in revenue from the blight court, \$40,000 in interest earned on investments. The City is also recognizing revenue that will be used to offset expenditures in the General Fund, including \$138,454 from the School District for a school liaison officer, \$60,000 for FIWA forfeitures, \$50,000 from the State of Michigan for transition-related expenditures, and \$25,135 as reimbursement for the March Presidential Primary. Revenue sharing estimates placed by city council in the last budget will not materialize, but that is offset by the increase in administrative fees charged to other funds.

Changes in Outflows

The largest impact to the increase in outflows was transfers out to other funds for an additional \$1,851,279 than previously adopted. The second largest increase in expenditures is in community development with an increase of \$1,101,985. Public safety expenditures will decrease \$468,299. Two other areas spread throughout the General Fund that are reflected include nearly a \$567,083

in a reduction in liability and property insurance costs, with a significant portion of the savings reflected in the cost of public safety services. The following chart identifies several one-time changes totaling \$2,488,846 to demonstrate the reasons for the significant amendments proposed to be made to the 2015-16 budget:

One-Time Nonoffsetting Transactions	2015-16
new computers - city wide	87,000
ground floor door repair	5,500
asset management system - DPW	166,000
ROW dedication	25,000
Ewalt/Hayes Jones conversion costs	20,000
TIFA 3 savings	(81,154)
master plan implementation	106,500
downtown GFCL repairs	10,000
City Council district projects	250,000
transfer to Major Street Fund	200,000
transfer to Capital Projects Fund	1,700,000
	2,488,846

In addition, the proposed budget identifies new recurring spending priorities identified by Mayor Waterman. These priorities will be repeated in future fiscal years and they total \$622,390 in fiscal year 2015-16:

public relations firm	10,000
City newsletter	35,000
Dues - MML	11,980
Dues - SEMCOG	6,706
Dues - Woodward Ave. Action Assoc.	6,250
Dues - Pontiac Regional Chamber	200
Dues - Michigan Assoc. of Mayors	85
Dues - U.S. Conference of Mayors	5,269
Dues - Detroit Regional Chamber	1,400
State of the City	10,000
CAFR preparation	10,000
Pension actuarial study	15,000
Nixle	5,000
City app	5,000
Dues - Traffic Improvement Association of Michigan	20,500
Blight Court	75,000
Nuisance abatement	200,000
EDA Plan implementation costs	75,000
supplement code enforcement and offset business license fee reduction	40,000
supplement construction code permits - 60% fee reduction (transfer to 249)	40,000
Various recreation improvements	50,000

Finally, the budget recognizes the recreation of the Community Relations Specialist and the creation of a new Customer Service Representative that will report directly to the mayor and assist the mayor in fulfilling her duties and priorities, and allocates funding to grant health and dental insurance and a defined contribution match to City employees who were not receiving the benefits. A few employees will also realize some raises. These compensation enhancements are part of a comprehensive compensation package presented to the transition advisory board that has full authority to make these decisions. Not all personnel costs will be charged to the General Fund; the budget assumes that the employees will take full advantage of the benefits, which will probably not occur; these items are identified with an asterisk.

<u>New Spending Initiatives (Personnel)</u>	<u>2015-16</u>
Community Relations Specialist	73,713
Customer Service Representative	52,833
Salary increases	26,850
Insurance for employees *	212,850
Pension for employees *	83,704

The mayor also restored the cuts made to balance the 2015-16 budget during budget preparation last year. Those cuts can be found in the 2014-15 and 2015-16 budget message.

Potential Concerns for the General Fund

Revenue and expenditure estimates are conservative, leaving no potential concerns in the General Fund.

2015-16 Budget Amendments for Other Funds

Nearly every fund has proposed amendments. The following funds are being amended to demonstrate that they are no longer required in the City of Pontiac: TIFA #4 (241), HOME Improvement Fund (263), and the Building Inspection Fund (542). Two new funds are being created. The Parking Fund (585) is being recognized again because the Phoenix Center is still standing. The Building Department Fund (249) is being created because instead of the Building Safety Department being a self-supporting enterprise as contemplated last year, the City's General Fund will now subsidize operations so that the construction code permit application fee and business license fees can be reduced. State law requires the establishment of a separate fund if the City financially supports these activities.

The largest amendment to a fund is to the Insurance Fund which was adopted recognizing that retiree benefits would be restored and that the City would pay for the benefits with proceeds from a contribution from the pension funds. Since this option is not quantifiable and probable, these expenditures must be removed from the budget.

Several funds are being amended to recognize significant capital expenditures that are scheduled. These expenditures are presented in greater detail in the Capital Projects section of this document. Those funds include the Major Street Fund (202), Local Street Fund (203), Senior Center Fund (212), Cable Fund (231), and Capital Projects Fund (445).

The Drain Fund (213) and Brownfield Redevelopment Authority Fund (243) are being amended to expend all available assets during the fiscal year.

The Sanitation Fund (226) is being amended to recognize a reduction in the sanitation user fee assessed by the City each December and billed on the winter tax bill. The closure of the landfill is also reflected.

The 50th District Court Fund (276) is being amended to recognize the budget requested by the District Court and other savings recognized City-wide.

The Workers Compensation Fund (677) is being amended to recognize reduced charges for workers compensation.

Potential Concerns for Other Funds

The Senior Center Fund (212), despite one-time capital expenditures, continues to operate with a structural deficit that will need to be addressed. The Drug Forfeiture Fund (265) also is operating with a structural deficit.

2016-17 Budget

The balance of this message will address the proposed 2016-17 budget. The 2016-17 budget was developed by the mayor in consultation with department heads and the city administrator, and is proposed by the mayor and reflects her spending priorities.

The proposed General Fund budget for the 2016-17 fiscal year, prepared according to generally accepted accounting principles, projects General Fund revenues and transfers in of \$31,097,388 and proposes expenditures and transfers out totaling \$31,849,183. Revenues and transfers in remain consistent from the 2015-16 fiscal year, increasing by only \$35,575, but expenditures and transfers out decrease by \$226,285 because transfers out to other funds are reduced by \$404,798. The mayor wishes to maintain a General Fund fund balance around \$6.2 million. Unlike at the end of the 2014-15 fiscal year where about \$900,000 of the fund balance will be classified as unspendable, due to an anticipated change in the agreement with the Oakland County Sheriff that requires prepayment of services, nearly all of the City's fund balance will be classified as spendable.

The City is forecasted to have a General Fund fund balance of \$6,378,939 as of June 30, 2017, which is about 20% of total expenditures and transfers out. Order S-334, requires the City to have a goal of a spendable fund balance of 15% of total expenditures in the General Fund. Based on expenditures for the 2016-17 fiscal year, the fund balance target is about \$4.4 million. The best way for the City to maintain this goal is not to engage in a structural deficit and only use fund balance and one-time sources of revenue for one-time expenditures.

Revenues

For the fiscal year beginning July 1, 2016 the City anticipates receiving revenue of approximately \$31 million excluding any one-time sources. This means that the General Fund must incur no more than \$31 million in expenditures, excluding one-time expenditures. In the 2016-17 fiscal year, all major revenue

sources are projected to remain at the same level as the 2015-16 fiscal year, with the exception of net property tax collections, which is projected to have a slight increase due to less anticipated chargebacks. Provided that the economy does not slow down, resulting in a significant reduction in income tax, state shared revenue, or property tax, the City of Pontiac will be able to continue to meet normal operating costs but will be unable to generate enough revenue to meet the cost of OPEB expenses which are temporarily suspended as long as the City remains in a state of receivership. Although the City still has surplus property that can be sold, the 2016-17 budget does not anticipate any revenue from these sales as these revenues are truly one-time sources and should not be used to meet daily operating expenditures of the City. The City anticipates modest increases in taxable value due to major construction projects, but those projects will occur in TIF districts or will be abated or both and are not reflected as revenue for the General Fund.

The City will also be implementing an aggressive program in the summer of 2015 to identify, invoice, and collect delinquent income taxes owed to the City since 2010. Over \$10 million has been identified as due to the City, with approximately \$2 million classified as collectible. The program will result in the filing of criminal misdemeanor complaints in the 50th District Court against those individual residents and non-residents and corporations that fail to follow the City's income tax ordinance. This program will continue in ensuing fiscal years.

In the 2016-17 fiscal year, the three largest regular sources of revenue for the General Fund are: income tax (\$11.1 million), state sources (\$9.6 million), and property taxes (\$6.3 million). These three sources account for eighty-seven percent (87%) of total regular revenue sources for the General Fund. This is the fourth year that property taxes will no longer be the largest source of revenue for the City, and property taxes will trail both income tax and state sources, which are both highly dependent on the economy and other external conditions. The City is assuming no change in income tax collections or state revenue sharing, and a slight increase of net property tax collections in 2016-17, due to lower chargebacks.

Expenditures

In the 2016-17 fiscal year, expenditures exclusive of one-time items will total \$29.3 million. The one-time expenditures for council district projects and transfer out to the Capital Project Fund will need to be eliminated or reduced in the 2017-18 fiscal year to offset the contractual increase in fire protection services.

The three largest expenditures of the General Fund are police services (\$11.8 million), fire services (\$6.6 million), and pension contribution to the Police and Fire Pension System (\$1.7 million). These three budget areas alone total \$20,267,590, and consume all but \$10,829,798 of total revenues, excluding one-time sources.

The City also assumes that captured taxable value by the Tax Increment Finance Authority will result in the General Fund continuing to subsidize previously issued bonds in the ensuing and in future fiscal years, despite the significant reduction in bonded debt over the past year. If the City had not used the

proceeds from the disposition of the waste water transfer station to retire outstanding bonds, the General Fund's contribution to the TIFA would have been millions of dollars higher.

Categorized, the largest expenditures in the 2016-17 General Fund budget are:

Category	Cost
Professional service contracts with third parties	\$ 22,433,740
Active personnel costs	\$ 2,175,293
Police and Fire pension contribution	\$ 1,773,627
Transfer to Capital Projects Fund	\$ 1,650,000
Contribution for TIFA debt	\$ 1,002,536
Streetlights	\$ 800,000
50th District Court Subsidy	\$ 778,514
Supplies, utilities, other transfers out	\$ 577,819
Property and liability insurance	\$ 332,654
Workers compensation - former employees	\$ 325,000
TOTAL	\$ 31,849,183

To balance the budget for both the 2013-14 and 2014-15 fiscal year, the former emergency manager requested and received approval from the state treasurer to temporarily suspend the City's responsibility of funding retiree health insurance and other post employment benefits for a period of two years or the period of receivership, whichever is longer and to suspend actuarially required contributions to the Police and Fire VEBA. If the City was required to fund these obligations, the estimated cost to the General Fund would exceed \$12 million each year. Because the restoration of these benefits is not probable or quantifiable, these costs are not reflected in this budget document. Therefore, this budget assumes the City will remain in receivership through June 30, 2017.

The mayor also included the following one-time spending priorities in the 2016-17 General Fund budget:

One-Time Nonoffsetting Transactions	2016-17
City Council district projects	200,000
Digitize DPW files	85,000
Transfer to Capital Projects Fund	1,650,000
Parks and recreation master plan	30,000
	1,965,000

The mayor also reflected a \$4,952 increase in the dues to the Michigan Municipal League in the 2016-17 budget. The City will ultimately pay in excess of \$20,000 in dues in the 2017-18 fiscal year when the City is considered a full-member.

The lower subsidy for the 50th District Court reflects that all employees will be responsible for sharing the cost of health insurance in accordance with state law as the collective bargaining agreement expires on June 30, 2016. All other funding requests made by the District Court were included.

Over the past four years, the City has taken many unprecedented steps to reduce the cost of government while providing basic services at a level equal to or better than previously directly provided by City employees. The City has contracted assessing, law enforcement, and dispatch with Oakland County and shifted the responsibility of animal control, vital records, soil erosion permitting, and federal grant administration to Oakland County at no cost to the City. The City has contracted with Waterford Township to provide fire protection services. The City has contracted with Star EMS to provide emergency medical service at no cost to the City. The City also contracted with various vendors to provide accounting, building safety, planning, legal, income tax, road maintenance, and information technology services at a significant savings, both short term and long term. The City also formally separated with the Library Board, Retirement System, and Housing Commission, thus relieving the City of the burden of providing administrative support for each of these independent agencies. Finally, the City absolved itself of responsibility for the water and sewerage operations of the City by monetizing the utility with Oakland County Water Resources Commission. Before the departure of the emergency manager, the City's remaining labor unions voluntarily dissolved. These savings are continued to be reflected in the budget.

Retiree Benefits

The City budgeted a \$1,773,627 payment to the Police and Fire Pension Fund for the 2016-17 fiscal year. Because of the assumptions made by the mayor, the General Fund is not demonstrating any budget appropriation for other post employment retiree benefits.

Unfunded Requests

The only spending request the mayor rejected was the Community Development Department's request for \$250,000 for nuisance abatement programs, and chose to fund the program at \$200,000 instead. The other \$50,000 was directed toward implementation of the EDA plan.

The DPW Director had requested the enhancement of the street sweeping program to allow for the collection of leaves, but the cost is truly indeterminable and a greater need was identified for road repairs. Several major road repairs were identified by the DPW Director, but due to lack of funding, they were not approved. The list of identified road repairs not funded can be found in the Capital Projects section of this budget document.

City council was asked to participate in a goal setting session early in 2015 to help the mayor identify budget priorities. City council declined to hold a goal setting session, so absent input from that session, this budget does not reflect any goals that city council may have had. City council did participate in a goal setting session in 2014. The Community Development and Public Works committees engaged in a new project prioritization exercise during committee meetings in 2014. The results of these exercises were considered by the department heads when preparing budget requests.

Other Funds

The Drain Fund (213) and Parking Fund (585) are no longer reflected in the City's budget as the mayor no longer projects a need for those funds.

Due to the elimination of the Drain Fund and its funding source, the Local Street Fund (203) will be assuming \$750,000 in drain expenditures during the 2016-17 fiscal year, which is 75% of anticipated revenue from the State of Michigan. This level of expenditures is expected to be one-time and should be reduced in future fiscal years. The City is seeking other funding sources for these expenditures.

The Tax Increment Finance Authority no longer captures enough taxes to make its last remaining bond payments. Because the bonds are general obligation, the General Fund must subsidize the shortfall each year by a contribution to the TIFA 2 (239) and TIFA 3 (240) funds.

Capital Projects

A number of capital projects have been identified in the budget, which are being funded through a transfer from the General Fund. These are identified in the Capital Projects section of the budget document.

Potential Concerns for Other Funds

The Senior Center Fund (212), despite one-time capital expenditures, continues to operate with a structural deficit that will need to be addressed however, this function can continue to operate until the millage expires. The Drug Forfeiture Fund (265) also is operating with a structural deficit.

The City needs to find another funding source for storm sewer maintenance as the Major and Local Streets cannot continue to support these needs at the levels funded in the 2016-17 budget.

Conclusion

The proposed budget that follows is structurally balanced for the next two ensuing fiscal years. The City will need to continue to address funding challenges in the future, especially for road repairs and OPEB, continue to explore options that will allow the City to provide increased or better services at a lower cost, and increase the spendable fund balance.

Joseph M. Sobota, M.P.A.
City Administrator

Financial and Operating Plan - Progress Report

The Financial and Operating Plan presented below was approved by the last emergency manager. The plan was amended to provide for an alternate staffing plan for the Treasurer's Office by the emergency manager prior to his departure. The City is required to follow the plan as a provision of Order S-334. The original plan is presented in its totality with comments on the status of various aspects.

City of Pontiac Financial and Operating Plan, June 7, 2013

The following plan is submitted in accordance with Public Act 436 of 2012 and replaces all other financial and operating plans on file.

Current Financial Condition of the City of Pontiac

As of June 30, 2013, the City of Pontiac is projected to complete the 2012-2013 fiscal year with a surplus of approximately \$575,000. According to professional standards, the City should have a fund balance of approximately two months of operating expenditures, which would be about \$5,000,000. This demonstrates that the City is not yet considered financially healthy, but the fund balance demonstrates that the City has improved significantly since the end of the 2011-2012 fiscal year, which ended with a fund deficit of \$3.4 million.

The positive estimated fund balance for the current fiscal year was the result of a significant one-time source of revenue. In August of 2013, the City realized a one-time revenue infusion of \$50 million upon the monetization of the waste water treatment plant. Proceeds from the monetization allowed the City to retire \$36.2 million of existing bonds issued by the City saving the City an additional \$12.7 million in interest over the next 15 years. These proceeds also allowed the City to make contributions of \$4.2 million to the Police and Fire Pension and VEBA plans of the City, thus eliminating the need for a court-ordered tax judgment on the property owners, and a \$4.0 million payment to General Motors in exchange for General Motors forgiving the City \$11 million for a property tax refund owed by the City.

On occasion, I have been criticized for using the proceeds from the monetization of the waste water treatment plant to retire bonds rather than using the proceeds to pay retiree health insurance and other post employment benefits. My response is that by paying off bonds early, the City has saved \$12.7 million of interest costs which is now available to pay for City services such as police and fire protection. My plan as emergency manager has always been to reduce the City's debt rather than to issue more bonds and increase the City's debt, which would simply delay the impact of the City's financial crisis. If I had not paid off the bonds, the City would not have a structurally balanced budget and would have needed to consider the reduction of police and fire services since those two services comprise about \$17 million of the City's \$30 million budget.

I have prepared a two-year budget for the City of Pontiac as required by Public Act 436. The budget is structurally balanced. The budget message discusses the current financial

condition of the City in greater detail. I continue to stress my concerns of the decreasing property tax base over the next three years and the method to fund retiree health insurance into the future.

After all one-time revenues and expenditures are removed from the budget, the City must operate on revenues of approximately \$30 million each year. These revenue challenges have forced the City to make difficult policy decisions on which programs the City can and cannot offer. Under more favorable revenue projections, the City could budget additional funding for nuisance abatement such as illegal dumping, tall grass, buildings open to trespass, and dangerous buildings, but until revenues recover, the City will need to provide limited nuisance abatement programs. The City also needs to implement a sidewalk inspection program and inform property owners of defective sidewalks to shift the liability from the City to the property owners.

The financial condition of the City has significantly improved over the past year as a result of the successful implementation of a variety of initiatives that have helped reduce long term liabilities and improved service delivery to the residents of Pontiac. However, additional savings or revenues need to be achieved so that at the minimum, the fund balance is increased to a professionally accepted level of at least two months of operating expenditures.

Successful initiatives completed to balance the budget over time include:

Completed Major Projects with Long Term Benefits

- Reduction in General Fund expenditures from nearly \$57 million six years ago to \$28 million to match the reduction in revenue. Working to finalize a structurally balanced five-year budget where operating revenues support operating expenditures without the use of one-time sources of revenue.
- Water and Sewage Disposal System – sale of excess capacity for \$55 million with proceeds used to retire City debt.
- Reduced City's bonded General Fund obligation debt from \$106 million (June 2010) to \$29 million (May 2013). Saved City's General Fund \$12.7 in future interest payments.
- Negotiated \$4 million payment to GM to settle \$15 million of debt owed.
- Upgraded City's bond outlook from negative to stable (Fitch).
- Structured the City's tax increment finance authority to meet its debt obligations without incurring a subsidy from the General Fund.
- Negotiated Labor Union Contracts with present contracts expiring in 2016 giving the City a solid cost structure. Among the concessions gained from most unions included: elimination of retiree insurance for new hires; closure of the GERS defined benefit pension plan and creation of a defined contribution pension plan for new hires. Acceptance of new health and dental insurance cost sharing program. Acceptance of new health and dental insurance plan designs. Elimination of optical insurance, hearing insurance, disability insurance and longevity payments for current employees.

Contracting of law enforcement services with Oakland County Sheriff. Contracting of fire protection services with Waterford Regional Fire Department.

- Reduced number of full-time City employees from nearly 502 six years ago to the proposed number of 20 (excluding court employees), thus nearly eliminating the long term costs of pensions, health insurance, and other post employment benefits to future retirees, as only five employees will receive these benefits.
- Hired educated, professionally trained, experienced, flexible, and motivated staff members whom work to address the needs of the City without the long-term liabilities of pensions and other post employment benefits.
- Numerous lawsuits settled resulting in substantial savings to the City.
- Instituted general liability insurance revisions resulting in substantial savings to City.
- As of July 1, 2013, City is no longer self-insured for workmen's compensation.
- Pontiac Public Library separated from City, eliminating liability and financial dependence.
- Pontiac Housing Commission separated from City, eliminating liability.
- Retirement Board personnel separated from City, eliminating liability.
- Police department disbanded, eliminating liability.
- Fire department disbanded, eliminated liability.
- Water and sewer system transferred to Oakland County Water Resources Commission, eliminating liability; customers to realize cost savings.
- Contracted all DPW City services and sold all equipment and property, thus eliminating the cost of equipment, facility improvement and management, and eliminating the long term costs of pensions, health insurance, and other post employment benefits to retirees. DPW Equipment Auction resulting in one-time net revenues of \$633,000 million. Sold DPW Building to Consumers Power, eliminating the potential for environmental liabilities.
- Streamlined, consolidated, relocated, and improved efficiency of departments within one building - City Hall - to improve customer service.
- Installed security cameras in City Hall and restricted after hour access to the building to only critical staff. Staffed city hall during public meetings for security reasons and to insure compliance with the Open Meetings Act.
- Instituted a program of retention, storage and shredding of records - (252,250 lbs. or 126 tons shredded to date) in conformance with the Record Retention Policy.
- New telephone system and new computer systems purchased to improve customer service.
- New BS&A software purchased which consolidated four non-interfaced financial management software systems into one integrated financial management system saving over \$200,000 per year and allowing management to better monitor the City's finances and enhanced internal controls.
- Redesigned City web site to be more user friendly.
- Revised or adopted dozens of ordinances to comply with State law and improve the operations of the City.
- Reviewed various fees and adjusted fees to cover the cost of the City providing service.

- Implemented sanitation fee to eliminate General Fund support.
- 50th District Court funding subsidy reduced about \$500,000 along with cooperation with the Court to increase efficiencies in operations.
- Centerpoint Parkway agreement cancelled, saving City at least \$1,000,000 in necessary improvements.
- Signed lease agreement with Martin Baseball Group to improve Jaycee Park and operate a youth baseball program.
- Abolished nonfunctioning and inactive boards and commissions.
- Appointed a Board of Appeals comprised of three construction professionals and two residents concerned with blight to make the final decision on the condemnation of dangerous buildings, thereby removing the city council from the decision making process.
- Required a cash bond from property owners who promise to correct major property violations in exchange for not condemning a structure.
- Released liens on over 200 privately owned properties that had previously received federal funds for property improvement; liens should have been released many years ago.

Economic Development Projects

- Improved the ability for developers to work with the City by eliminating the need for the city council to approve each new business opening in the City.
- Approval of the Oakland County One-Stop Ready program that demonstrates to developers that the City is an easy place to do business.
- Ended the unofficial and illegal practice of requiring developers to receive support from local council districts before plans being considered by the Planning Commission.
- Worked in cooperation with the Pontiac Downtown Business Association for special events inside the loop.
- Worked with the Pontiac Downtown Business Association to continue the Main Street USA program.
- Abolished the Economic Development Corporation and Downtown Development Authority, eliminating the fractured economic development governing structure that was often at odds with the City and eliminating unnecessary costs of duplicated services.
- Supported the rezoning petitions of a former GM Site rezoned to make way for new retail, M1 Concourse on a former GM site, and Ultimate Soccer for new development which will increase the property tax roll and increase income taxes.
- Authorization to allow the Oakland County Brownfield Redevelopment Authority to manage the cleanup and redevelopment for M1 Concourse.
- Approved the Brownfield Redevelopment Plan at the site of the former Sears that resulted in the construction of the Lafayette Lofts, Lafayette Market, and Ultimate Fitness.
- Granted tax abatement to General Motors for new research facility which will result in 300 new jobs and increased property taxes.

- Granted tax abatement to 28 North LLC for the purpose of creating residential lofts in downtown Pontiac.
- Denied tax abatement to the owners of the Pontiac Silverdome which would not have resulted in any new jobs.
- Cancelled the Bloomfield Park Brownfield Plan freeing thousands of dollars in previously captured property taxes to be used for the City's General Fund.

General Fund Departmental Cost Savings and Service Improvements

General Government

- City Council - Staff eliminated. Benefits for elected officials eliminated. Salary reflects the charter identified role of a part-time councilmember. Annual savings - \$450,000.
- Mayor's Office - Staff reduced. Current staff receives no benefits. Annual savings - \$200,000.
- Controller and Budget Administration (Plante Moran) - All staff eliminated. Contracted with a full-service governmental accounting firm with all staff being licensed CPAs. Annual savings - \$46,000.
- Accounts Payable and Purchasing - Hired accounting specialists in the field. Annual savings \$125,000.
- Income Tax Administration (Innovative Software Solutions) - All staff eliminated. Software vendor processes income tax returns and payments. Income tax returns entered into system upon receipt. Electronic filing instituted. Electronic payments instituted. Income tax refunds issued within two weeks, saving the City from paying interest. Participated in State non-filer program to identify additional tax revenue. Invoices mailed to delinquent tax payers. Annual savings - \$175,000.
- Vital Records (Oakland County Clerk) - Reduced staff. Transferred to Oakland County Clerk. Vital records now protected from fire. Revenue from sales failed to cover cost of staff needed to service requests and pay for proper protection.
- Internal Auditor - Eliminated staff. Simplicity of current operations negates the need for an internal auditor. Function can be performed by City's external auditor upon request. Annual savings - \$265,000.
- IT Services (SARCOM) - Eliminated staff. Annual savings - \$60,000.
- Assessing & Property Tax Appeals (Oakland County Equalization) - Maintained by previous action of City; however, renewed agreement now has Oakland County handling minor matters before the Tax Tribunal saving the City legal fees of approximately \$100,000.
- Elections - Reduced number of precincts from 28 to 21 and number of voting locations from 11 to 9, making election setup and Election Day administration more manageable. Reduced election costs by 25%.
- Building and Grounds (Kristel Cleaning) - Selected new service provider. Biannual carpet cleaning included in contract. Annual savings - \$38,400.
- Legal Department (Giamarco, Mullins & Horton) - Staff eliminated. All attorney services, previously provided by fifteen outside firms in addition to City staff, now less than one multispecialty firm. Annual savings - \$280,000.

- Human Resources - Staff reduced commensurate to the overall reduction in City staffing. Payroll function separated from Human Resources to improve internal controls. Annual savings - \$300,000.

Public Safety

- Police Services (Oakland County Sheriff) - More officers on the street and significantly better response time. Annual savings \$2.2 million.
- Dispatch (Oakland County) - Savings and efficiencies included with police services.
- Crossing Guards - Crossing guards assigned and supervised by Oakland County Sheriff. Annual savings - \$100,000.
- Fire Services (Waterford Township) - Improved response time. Annual savings \$3.6 million.
- Building Department (Wade Trim) – Number of inspections per inspector per day increased from 2.12 in fiscal year 2008-09 to 9.38 in fiscal year 2011-12. Wade Trim staff performed more code enforcement inspections during the first nine months of 2011 than City inspectors performed in all of 2008, 2009, and 2010 combined. Wade Trim inspectors average 2,365 inspections per year while previous City staff averaged 525 inspections annually per inspector. Improved business licensing and rental registration program.
- Animal Control (Oakland County) - County now provides service the County is required to provide to the City by law for free. Annual savings - \$80,000.

Public Works

- Street Patching & Rail Maintenance (Asphalt Specialists Inc.), Street Sweeping (National Industrial Maintenance, Inc.), Street Winter Maintenance – major roads (Oakland Co. Road Commission), Street Winter Maintenance – major and local roads (TDE Group USA Inc.), Street Signs Maintenance (Great Lakes Municipal), Traffic Signal Maintenance (J. Ranck Electric), Street Light Maintenance (J. Ranck Electric) – Eliminated staff. Sold all equipment. Sold DPW property. Annual savings will be several hundred thousand dollars.
- Engineering Department (Tucker Young Jackson Tull) - Eliminated staff. Engineering services on call. Annual savings \$650,000.
- Soil Erosion and Sedimentation Control (Oakland County Water Resources Commission) - County now provides service the County is required to provide to the City by law for free.
- Trash Pick-up (Advanced Waste/Veolia) - Call center, special pickups, downtown and park waste collection services now provided by vendor. Annual savings – Increased and improved customer service at no cost to the City.
- Water, Sewer and Sewage Disposal System (Oakland County Water Resources Commission) - System now operated by professional waste water treatment operators.

Health and Welfare

- Emergency Medical Services (Star EMS) - Service provided at no cost to the City. Annual savings included with Fire Department savings.

Community and Economic Development

- HUD Federal Programs Administration (Oakland County) - Assignment of funds to Oakland County prevented federal government from withholding all funding due to 20 plus-year long record of federally documented poor management of prior programs. Home improvement program reinstated after being suspended. Greater focus on a limited number of projects

allows projects to be bigger and more effective. Hired an attorney who specializes in federal funds-to-insure funds are properly spent.

- Planning and Zoning (Wade Trim) - Planning Commission reconstituted to comply with new State law. Planning commissioners properly trained. Zoning amendment updated to comply with new State law. Annual savings - \$100,000.

Recreation and Culture

- Grounds Maintenance –All services provided by subcontractors. Community Centers closed or sold. Annual savings \$440,000.

Other Functions

- Insurance Administration (Meadowbrook & Huttenlocher) – Risk Management staff eliminated and duties disbursed among remaining staff and insurance agents. Annual savings - \$80,000.

Debt Service

- Eliminated annual payments of direct General Fund expenses of \$2.1 million to pay Budget Stabilization Bonds.
- Eliminated annual payments to subsidize shortfall in the Tax Increment Finance Authority of at least \$2,369,394.

Transfers Out (Subsidies)

- Parking System - All parking lots sold. Parking meters removed. Downtown parking enforcement assigned to Downtown Business Association - Annual savings - \$445,000 in personnel costs and any capital and maintenance costs.
- Cemeteries managed by Detroit Memorial Park Cemetery Management - Annual savings - \$475,000
- Golf Course Management (Torre Golf Management) - Annual savings - \$430,000 and capital costs.

State-Approved Temporary Contract Modifications

- Health Care and other Insurance Reforms - 87 plans consolidated into 5, improving management efficiencies.
- Instituted Pension & VEBA funding changes

One-Time Projects

- Applied for and received \$996,000 in State Demolition Grant Funds allowing the City to demolish approximately 150 dangerous buildings which will improve neighborhood stability and public safety.
- Applied for and received State EVIP Funds for the Fire cooperative agreements receiving nearly \$250,000 in implementation cost recovery.

- Streetlight Improvements – new LED lights installed in downtown area to improve public safety in the business district
- Property Sales – numerous and ongoing, reducing liability and maintenance expenses. Placed all of the City's parking lots, former landfills, former community centers, long-closed fire station, former library building, and hundreds of vacant residential lots on the tax roll.
- Sold vacant Strand Theatre and 8 N. Saginaw office building for redevelopment in downtown Pontiac, eliminating the drain on the City's finances.

Nearing Completion

Among the projects still pending and nearing completion are:

- Phoenix Center Demolition (in process, litigation pending), will save the City at least \$500,000 annually in expenses for the structure to stand vacant. **Still in litigation.**
- Working to transfer the small business loan program from the now abolished Pontiac Economic Development Corporation to the Oakland County Economic Development Corporation. **Determined to be unfeasible and abandoned in June of 2013.**
- Closure of the Collier Road Landfill. Should free several hundred thousand dollars that can be used to reduce the sanitation user fee. **Closure costs included in 2015-16 budget.**
- Neighborhood Enterprise Zone for fifty new owner-occupied housing units. **Ordinance providing basis for an NEZ was adopted in August of 2013.**
- Adoption of revised personnel policies and financial management policies and several other ordinance revisions. **Completed in August of 2013.**

Financial and Operating Plan

In order for the City to return to local control and operate as a progressive modern American City, the City must continue my initiatives highlighted above and also address those issues under its control, including working to stabilize and begin to increase its sources of revenue by supporting private sector economic development projects and creating a business-friendly environment in City Hall.

The major initiatives going forward are as follows:

1. Modifications to Collective Bargaining Agreements – Under Public Act 4 of 2011, the City received permission from the state treasurer to temporarily modify provisions of collective bargaining agreements. These temporary modifications assisted the City in reducing expenditures and balancing its budget:
 - Consolidation of over 72 health, dental, life, optical, hearing, and disability plans into four health insurance plans, two dental insurance plans, four classes of life insurance, and the elimination of optical, hearing, and disability plans for active employees and retirees. These waivers save the City \$6,000,000.

- Waiver of the provision of the contracts with the police and firefighters to make an annual contribution to Police and Firemen VEBA. This waiver saves the City \$5,079,102.

These waivers need to be continued through the period of receivership as the City does not have the revenue to support the original contractual provisions. **Temporary waiver still in effect, but the implementation of the plan is presently in litigation.**

2. Retiree Health Care Funding Solutions – The single largest expense to the City for which the current residents receive no benefit is for the legacy costs of retiree benefits, totaling over \$6 million in the General Fund, despite the reasonable changes made to health, dental, optical, and life insurance over the past year. The City is self-insured for health insurance up to the first \$200,000 of claims submitted per employee and retiree insurance contract of non-Medicare eligible retirees. With 1,200 retirees, 500 of which are on the City's self-insured plan, this means that the City faces an annual exposure up to \$100 million per year. Currently, the City does not generate enough revenue to continue to support these benefits at any level. In November of 2012, the voters of the City clearly stated that they do not want to increase taxes to pay for such benefits as they defeated a proposed millage dedicated to paying the benefits of retirees. Therefore, the City is left with limited options. The best option is to close the City's defined benefit pension plan and to transfer the assets to the Michigan Employee Retirement System. At its latest actuarial evaluation dated December 31, 2012, the GERS plan has total assets of \$450 million to pay benefits valued at \$300 million. This leaves an overfunding of \$150 million that can be used to fund retiree health insurance and other post employment benefits. Even with the transfer of the \$150 million, the pension plan would be more than adequately funded, at a level of 120%, and professionally managed and will allow approximately \$150 million to be divested from the pension plan and deposited into the Michigan Employee Retirement System Health Care Savings Account. MERS has a proven record of sound investment strategies. Unfortunately, this decision can only be made by the GERS Board, and they are opposed to even investigating the possibility. Therefore, there is only one feasible option: the elimination of retiree health care and dental benefits. The City's current benefit administrator has identified a plan that retirees could enroll in, but the benefit levels are lower than retirees currently receive. To assist in the deferment of the costs of the plan, a one-year pension enhancement in an amount to be determined will be provided to all pensioner recipients. Understanding that the overfunding of the pension plan was the result of the overfunded hospital pension plan merging with the underfunded GERS plan many years ago, hospital retirees will also be given a one-year increase in their pension. After the one year, unless the GERS Board agrees to dissolve and transfer its assets to MERS, offsetting the cost of retiree health insurance will not be possible. The Pontiac city council has submitted an alternative to this plan to the Treasury Department. Either my plan or the Council's plan will be accepted. **No action taken on this issue.**
3. Sale of Golf Course – At best the golf course breaks even; in previous years it has been a money loser. Currently the City is fortunate to have a company leasing and operating the golf course on a month-to-month basis. The revenues generated do not cover the cost of any capital improvements or any legacy costs. The City has listed the golf course with a specialty golf course broker at a minimum price of \$800,000. The city council failed to approve or deny the request to sell the golf course, and thus the proposed sale is considered approved. By placing the property in the hands of a private owner, the property would generate tax revenues in the future. **Golf course sold in August of 2013.**

4. Sale of Lot 9 – Lot 9 was originally created by the Downtown Development Authority for the purpose of assembling a large parcel of downtown property for future development. During an open auction in March, the City received an offer of \$1.28 million for the property, but the purchaser failed to close due to pending litigation. The City needs to sell the property with the proceeds targeted to offset the cost of retiree health insurance through August 31, 2013. **Lot 9 sold in June of 2013.**
5. Sale of Excess City Properties – The City has hundreds of parcels of excess property that only serve as a liability to the City. For several of the large parcels, the City has either received offers to purchase or has individuals expressing an interest in the property. The city council failed to approve or deny the request to sell the following parcels, and thus the proposed sales are considered approved at the following levels:
 - Lot 1AH - \$75,750 **(Sold.)**
 - Lot 1AP - \$230,000
 - Lot 5 - \$50,250 **(Sold.)**
 - Kennett Road Landfill - \$150,000

In addition, the City has several hundred residential lots available sized at one-half acre or less. Lots one-quarter acre or less will be sold for a minimum price of \$150 per lot and lots one-half acre or less but greater than one-quarter acre will be sold for a minimum price of \$300 per lot. Exceptions to these prices are properties purchased with federal funds that must be sold for a \$300 minimum and parcels that are being packaged with other parcels to create a larger parcel group that will be sold at near-market rates. **Several hundred parcels still available.**

The City has other parcels that are generally larger than one-half acre, may contain a structure valued at less than \$50,000, may be zoned for commercial use and have a higher market value, or may be grouped with other parcels to create a larger parcel package. These properties should also be sold, and their sale proceeds can be used to fund one-time expenditures. **Still available.**

6. Demolition of the Phoenix Center and Sale of the Property – The City received an engineering study stating that the structure needs \$1.8 million of repairs to be made over the next 18 months and a total of \$8 million over the next 10 years in order to be fully usable. The City does not have the money to make such repairs. If the Center was repaired it is estimated that it would cost the City \$500,000 annually to properly operate the facility. The facility is viewed by many as a deterrent to the development of the downtown area and demolition of the facility would represent a milestone in the turnaround of the City of Pontiac. The City has received a bid in the amount of \$1,825,000 for the demolition of the facility. Oakland County has received grant money to do a study and is assisting in putting together a plan to redevelop the area that includes the Phoenix Center land area consisting of 12.7 acres. Demolishing the facility would open up the access to Saginaw Street which is the main downtown street in the City. The City was able to retire all outstanding debt on the Phoenix Center, and is now free to sell the remaining property. Assuming that the property receives as much interest as the sale of Lot 9, the City will be able to realize a one-time General Fund revenue increase of \$750,000 or more. **Issue still in litigation.**

7. Reorganization of City Departments and Staffing Plan – The City of Pontiac is now a model City for communities facing financial distress, or as a way to operate more efficiently and effectively than the standard governing model. Nearly all services are either provided by another governing unit, which benefits both governing units, or services are provided by private contractors. In either case, Pontiac is now receiving better services for a lower cost annual cost in addition to the long term savings by no longer needing to pay pensions or health insurance benefits to retirees if the City continued to employ staff to deliver service. Most importantly, the City has shed the accumulation of significant future long-term uncontrollable liabilities such as retiree insurance benefits and pensions because the City no longer has employees eligible to receive such benefits for the rest of their lives. As a result, the need for many City departments and employees has been eliminated. The City can now function on a more compact model and organizational chart. Ordinances are in the process of being drafted and adopted to reflect the new governing model for the City of Pontiac, and will include minimal educational and experience requirements for department heads.

The City of Pontiac shall be organized into three departments and two offices effective July 1, 2013:

Department of Community Development (Implemented July 1, 2013)

Responsible for construction code enforcement, vacant property registration, residential rental registration program, business license program, planning, zoning, economic development liaison, cable, historic district commission, federal grant implementation, fire insurance withholding program, City real estate disposition, tax abatements, capital improvement planning, support and reporting for the TIFA and BRA, document retention for the former GBA, DDA, PBDC, and EDC. The Department will be staffed by up to three full-time and up to one part-time employees.

Department of Public Works (Implemented July 1, 2013)

Responsible for summer and winter road maintenance, park maintenance, sanitation, engineering, City-owned public lighting, City-owned traffic control devices, City building and property maintenance, cemeteries, senior citizen centers, and sidewalks. The Department will be staffed by up to five full time employees, six part-time employees, and two seasonal part-time employees.

Department of Finance (Plan implemented February 1, 2014)

Responsible for accounting, budgeting, income tax , purchasing, investing of surplus funds, information technology, payroll, assessing, employee and retiree benefits, workers' compensation, human resource functions, grant administration, unemployment reporting, collections of delinquent debts, and debt payments. The Department will be staffed by up to seven full-time employees.

Office of the Clerk (Implemented July 1, 2013)

Responsible for serving as secretary to the city council, conducting elections, posting all Open Meeting Act notices, and processing daily receipts. The Office will be staffed by up to two full-time and one part-time employees and 900 hours of seasonal assistance.

Office of the Mayor (Partially implemented and amended; Community Relations Specialist position eliminated and position of deputy mayor elevated to full-time status effective April 14, 2014. The city clerk remains telephone operator for City Hall.)

The mayor is responsible for contract administration of the city attorneys, Star EMS, Oakland County Sheriff, and Waterford Regional Fire Department, and oversight of the three department heads and document retention for the files of the former Law Department. The mayor will also have a Community Relations Specialist and Administrative Assistant to assist the mayor in carrying out the duties of the office. The mayor's office will become the central telephone operator for the City. Risk management liaison will fall under this office. The office will be staffed by one elected official and two full-time employees. The deputy mayor will be compensated on a per-diem based on the deputy mayor's attendance at a council meeting.

City Council (Implemented January 2014)

Because Pontiac operates under a strong-mayor form of government, the city council does not have any administrative or executive authority, and thus is not involved in the day-to-day operation of the City. The charter clearly prohibits the council as a body and its members as individuals from giving direction to City employees. The role of the city council is that of a legislative body, and the charter clearly identifies the roles and responsibilities of the city council: to adopt ordinances to govern the City, to set the salaries of City employees, to award contracts, and to adopt and amend the budget when necessary. State law also bestows additional responsibilities on the city council such as making or confirming the mayor's appointments to certain boards and commissions, designate certain areas of the City for special tax treatment, and set the tax rate of the City. As such, the Pontiac city council has the same roles and responsibilities as most other cities in the State of Michigan, and thus has no need to be present daily in City Hall or operate an office; however, due to the tradition in the City of Pontiac, council members, should they choose, may continue to have individual offices and office hours in City Hall, but the City will not financially support any operations of the council office. The council area will be remodeled to allow greater opportunity for the public to access their individual council members. The new compensation package for city council represents their true function by paying council members on a per diem for meetings attended.

In addition, current members of the city council will receive training so they understand their roles and responsibilities under the charter, under the Open Meetings Act, and in reading and understanding financial statements and periodic financial reports. Also, all persons who will appear on the general election ballot for each elective office will be provided complete copies of the agenda packet provided to council members. This will allow those elected to office to have a smooth transition. In addition, training and orientation sessions should be provided to newly elected officials before assuming office to assist the person to understand their roles and responsibilities of their new position and to understand the finances and operations of the City.

The city council should also be encouraged to change its operating rules and meeting procedures to improve the operations of the city council. All items submitted to the council for action should be placed on the council's agenda immediately and not held back by the council president. An agenda item should be listed for hearing and receiving committee reports. Public comments should be limited to two minutes per person. The process of calling special meetings on the same day as regular meetings should be eliminated by incorporating such items on the council agenda. Agenda packets should be distributed to council members no less than 48 hours before the meeting.

8. Adoption of Model Charter Provisions (Proposed Charter rejected by voters May 5, 2015) – The Pontiac city charter is presently under review by vote of the people. The Charter Revision Commission needs to consider the following amendments to the Pontiac city charter to reflect the new operating model and needs of the City:

- 2.105 – Remove city assessor from election commission and replace with one registered voter appointed by the city council since Oakland County Equalization has notified the City that it will not send a representative to sit on the election commission. **(Included in proposed charter.)**
- 2.107 – Require 250 signatures to run for mayor and 150 signatures to run for city council. **(Included in proposed charter.)**
- 3.105 – Change from weekly council meetings to regular meetings only twice per month. Most city councils in Michigan meet only twice per month and the responsibilities of the city council do not warrant more than two meetings each month. **(Included in proposed charter.)**
- 3.114 – delete (hospital does not exist). **(Included in proposed charter.)**
- 3.115 – delete (council does not need staff).
- 3.301 – delete (internal auditor no longer required). **(Included in proposed charter.)**
- Article IV, Chapter 2 – delete all references to the Law Department and make clear that the City Attorney can be a firm appointed by the mayor.
- 4.204 – delete (allowing the city council to appoint their own legal counsel encourages conflict between the mayor and the city council and the city attorney).
- Article IV, Chapter 4 – (Police Department) delete in its entirety and replace with a provision that states that the City may contract for law enforcement services. **(Included in proposed charter.)**

- Article IV, Chapter 5 – (Fire Department) delete in its entirety and replace with a provision that states that the City may contract for fire protection services.
(Included in proposed charter.)
- 5.104 – require budget to be adopted on a functional basis rather than on a departmental or line item basis.
- 5.105 – delete because the provision allowing for an interim budget is illegal, and replace with a provision that docks the mayor one month pay for every month or portion thereof that he is late in fulfilling his budget preparation duties and the city council one month pay for every month or portion thereof that the council is late in adopting the budget, and prohibit retroactive payment upon fulfillment of duties.
- 5.205 – Change to read as follows (eliminates reference to minimum staffing in fire department):

The total amount of taxes which may be levied against property for City purposes in any one year shall not exceed \$10.00 on each \$1,000.00 of the taxable valuation. An additional tax of \$1.50 on each \$1,000.00 of the taxable valuation may be levied for capital improvements or to pay any principal and interest on bonds therefore; and a further additional tax of \$2.00 on each \$1,000.00 of the taxable valuation may be levied to for fire protection services, in addition to such other revenues as may be regularly utilized for those purposes. The provisions of this Section shall not prevent the levy and collection of the full amount of taxes required by law for payment of debts.
- 5.305 – allow audit to be completed by December 31, not 120 days after the end of the fiscal year. **(Included in proposed charter.)**
- 6.301 – delete (Administrative Rules) as rule making is an executive function.
- 6.302 – delete (Emergency Rules) not needed if 6.301 is deleted.

I am proposing to include all of the above initiatives in the City budget I am preparing for the coming fiscal year beginning July 1, 2013. It is my opinion that the above initiatives will result in structurally balancing the City of Pontiac's revenues and expenses for the coming years providing there is no further significant decline in City revenues.

Louis H. Schimmel
Emergency Manager
City of Pontiac

Capital Projects

The City defines a capital asset as a purchase that will have a lifespan of at least one year and has a total cost of the following minimum amounts:

<u>Asset Class</u>	<u>Minimum</u>
Land	\$ 10,000.00
Land Improvements	\$ 25,000.00
Buildings and Building Improvements	\$ 50,000.00
Machinery and Equipment	\$ 10,000.00
Vehicles	\$ 20,000.00
Office Machines	\$ 10,000.00
Office Furniture	\$ 10,000.00
Intangible Assets	\$ 10,000.00

Additionally, an expenditure can be considered capital if the result will increase the expected life of the asset and improve its use.

The capital plan is prepared by the director of community development with input from the director of the department of public works and the finance director. Over the next five years, the City is focusing the use of its capital improvement millage for upgrade to the City's street lights. Major and Local Street Funds will be used to match grants obtained to repair several bridges and roads. As of the preparation of this document, no costs have been incurred for any of these projects.

The following capital projects are provided in the 2015-16 budget:

General Fund

- Asset management system for city engineer, includes software, server, and computers (\$106,000). The system will allow the city engineer to more efficiently monitor the City's infrastructure and plan for maintenance and repairs. Estimated operating costs after the system is installed are \$10,000 per year.

Major Street Fund

- Featherstone bridge (\$370,000). The Featherstone bridge just west of Opdyke is in a state of significant disrepair. 95% of the project will be paid by the State of Michigan through its Critical Bridge Program. As of June 30, 2015, the City projects having incurred \$50,000 of the estimated total cost of \$420,000 that is the responsibility of the City. Estimated operating costs are minimal after the bridge is reconstructed.
- N. Saginaw (\$230,000). Saginaw, north of the Loop, had a PASER rating of 2 in 2013. The project's costs are being defrayed in part by the Federal Aid Committee. As of June 30, 2015, the City projects having incurred \$25,000 of the estimated \$395,000 total cost that is the responsibility of the City. Included in the amount is \$20,000 for a signal upgrade. Estimated operating costs are minimal after the road is reconstructed.
- S. Saginaw (\$400,000). This value is an estimate included by the Emergency Manager in the budget to restore the intersection of Saginaw with Orchard Lake/Auburn. The road is to be

restored upon demolition of the Phoenix Center. Estimated operating costs are minimal after the road is constructed.

- Giddings and Walton signal box (\$35,000). The intersection of Giddings and Walton will be reconfigured to allow the construction of a left turn lane for traffic traveling north on Giddings toward Walton. The signal and lane is necessitated by the construction of the new Notre Dame Marist Academy at the corner. As of June 30, 2015, the City is estimated to incur \$35,000 of the total \$70,000 cost, which will be reimbursed by Notre Dame Preparatory and Marist Academy. Estimated operating costs for electricity are minimal.
- Centerpoint Parkway (\$136,201). The construction of a new plant by Challenge Mfg. necessitated the need for road repairs and reconfigured turning lanes on Centerpoint Parkway between Opdyke and the northern boundary of the Challenge property. Centerpoint Parkway had a PASER rating of 5 in 2013. The project is being funded primarily with a grant from the MEDC. The City's portion of the cost is 20% of the project and preliminary and construction engineering, which is estimated to total \$136,201. Estimated operating costs are minimal after the repairs are completed.
- Franklin from Rapid to south City limit, preliminary engineering (\$90,241.34). Franklin had a PASER rating ranging from 2 to 4 in 2013, with most areas rated with a 2. By having a design prepared, the City will be able to move ahead with the project should an alternative funding source be identified and secured. The total estimated cost of the project for flexible reconstruction, less preliminary engineering, is \$1,655,928.
- Joslyn, Perry to Walton preliminary engineering (\$280,000). The City has received a grant from the National Highway Performance Program to offset the cost of the reconstruction of Joslyn, which had a PASER rating ranging from 3 to 4 in 2013. The funding will be released to the City in the 2016-17 fiscal year, wherein lies an appropriation for an additional \$894,553 for construction and construction engineering.

Local Street Fund

- Michigan from M-59 to Eastway, preliminary engineering (\$63,262). Michigan had a PASER rating of Poor in 2014. The 5,975 feet of flexible reconstruction is expected to be completed in the 2016-17 fiscal year with an additional appropriation of \$1,160,872.
- Terry, Dresden, and Dearborn (\$375,000). PASER ratings were Poor in 2014. This is expected to be the total cost of the project

Senior Activities Fund

- Ruth Peterson Center parking lots, complete resurfacing (\$37,530). The lots are in a serious state of disrepair causing flooding and potential safety hazards. Maintenance costs will be minimal.
- Ruth Peterson Center roof replacement (\$90,000). Failure to replace the roof will result in serious damage to the facility which will increase maintenance costs.

- Ruth Peterson Center air conditioning unit replacements (\$40,000). A new unit will improve the climate in the building and is expected to be more energy efficient than the current unit, but lower energy costs will probably be offset by rate increases.
- Ruth Peterson Center window replacement (\$65,000). Window replacements have not demonstrated a reduction in energy costs, but will make the facility more appealing to customers.
- Ruth Peterson Center tuck pointing (\$35,000). Water seeping through the walls causes additional damage to the facility. This repair should negate the need for other maintenance costs.
- Robert Bowens Center parking lot, asphalt resurfacing and catch basin repair (\$172,110). The lots are in a serious state of disrepair causing flooding and potential safety hazards. Maintenance costs will be minimal.

Cable Fund

- School District theatre (\$134,002). This investment will create another filming venue for the School District and the City. The District will be responsible for all operating expenditures.
- School District WHRC studio (\$123,980). This investment will create another filming venue for the School District and the City. The District will be responsible for all operating expenditures.
- School District WHRC editing room (\$11,800). Equipment is necessary to allow the District to broadcast on AT&T U-Verse. Since both the District and City will have the same equipment, the governmental agencies will be able to enter into a back-up services agreement if staffing needs should arise. The District will be responsible for all operating expenditures.
- School District WHRC master control room (\$62,694). Equipment is necessary to allow the District to broadcast on AT&T U-Verse. Since both the District and City will have the same equipment, the governmental agencies will be able to enter into a back-up services agreement if staffing needs should arise. The District will be responsible for all operating expenditures.
- City council chambers (\$271,798). A complete renovation of the city council chambers will be done including audience seating, lighting, and sound system which will result in a better display to the viewing audience and a more comfortable public area. The operating costs will be minimal and will be the responsibility of the City.
- City hall small studio (\$112,929). This will improve the taping facilities in the new basement studio. The operating costs will be minimal and will be the responsibility of the City.
- Contingency (\$71,000). Added in the event of cost overruns.

Capital Projects Fund

- City hall stairs and landing repairs (\$81,000). This includes the removal of the existing granite, removal of sandstone wall and the two planters. Existing granite and sandstone to be salvaged for reuse. Cleaning of granite and sandstone, repair of existing concrete base, repairing any damaged concrete walls, and preparation of new surface for the reinstallation of the sandstone and granite. Filling of joints at the perimeter including new backer rod and sealant and new

mortar for the reinstalled sandstone and granite. Engineering and inspection included in this cost. There are no future operating costs associated with these repairs.

- City hall machine room repairs (\$25,000). This includes demolition, crack injections, new exterior brick veneer, new steel lintels, and engineering and inspection. There are no operating costs associated with these repairs.
- City hall generator additions (\$25,000). The city hall experiences power outages too frequently and is unable to provide appropriate levels of service to the public, especially during an emergency. Operating costs will be the cost of natural gas when the system is used.
- City hall alarm upgrades (\$160,000). The alarm system in city hall needs improvements. Future operating costs will include required annual maintenance and inspections.
- City building complex electric meter separation (\$10,000). Several facilities are served by one electric meter. A strong possibility exists that the city hall is providing electric service to structures that used to be part of the City but have long been separated. A partial separation was done several years ago, but the electric costs still appear too high. This item may result in utility savings for the City.
- Repairs to exterior and steps of sheriff substation (\$125,000). The stairs of the substation are separating from the building. These repairs are necessary to maintain the integrity of the facility. There are no operating costs associated with these repairs.
- Woodward Loop Phase I, conversion of Mill, Pike, and Lawrence to two-way (\$370,260). The conversion of the Woodward Loop to two-way traffic is a long-term goal identified in the City's master plan and divided into three phases. The total cost of the project is estimated to be \$15.7 million in 2035 dollars. More detailed information contained at the end of the Capital Projects section.
- Paddock reconstruction, worst section of the 12,305 foot roadway (\$750,000). 2014 PASER rating is Poor. Flexible reconstruction for the entire project is estimated to cost a total of \$3,430,523.19.
- Bassett Street, 1,166 feet from Woodward to Basswood, flexible reconstruction (\$205,109). 2014 PASER rating is Poor. Road is used by the ambulances that service St. Joseph Mercy Hospital. In 2010, the hospital resurfaced Bassett Street without any plan review, permits, or approval. The ambulance traffic is heavier than the rating of the road. Estimated operating costs are minimal after the road is reconstructed.
- Franklin Road, (\$794,891). Franklin had a PASER rating of 2 to 3 in 2013. The completed will be the section north of South Blvd. The total estimated cost of the 6,245 foot complete project from the south city limit to Rapid for flexible reconstruction, less preliminary engineering, is \$1,655,928.
- Computer security (\$15,000). PCM has identified the need to upgrade computer security. Estimated operating costs are minimal.
- Two new pick-up trucks for DPW, offset by sale of one salt plow (\$60,000). The pick-up trucks will be used by the sanitation inspector and DPW assistant as they perform their duties around town. The existing vehicles are over 6 years old and are requiring regular repair. One of the

vehicles does not operate well on snow-covered roads. This purchase will reduce maintenance costs.

Parking Fund

- Demolition of the Phoenix Center in accordance with Order S-334 (\$1,982,300).

The following projects are requested to be funded in the 2016-17 budget:

Major Street Fund

- Perry Street from Water to University, 2,450 feet, flexible reconstruction (\$975,753). The PASER rating in 2013 was 5.
- Joslyn, construction engineering (\$335,457), Joslyn, Perry to Beverly (\$275,052), and Joslyn, Beverly to Walton (\$284,044). Project funded primarily through a grant from the National Highway Performance Program. The total cost of the project, including the portion paid by the grant, is \$2,795,481.
- South Saginaw/Orchard Lake/Auburn restoration (\$400,000). This project is to be completed upon demolition of the Phoenix Center.

Local Street Fund

- Michigan from Eastway to Belmont, 5,975 feet, flexible reconstruction, (\$1,160,872). Michigan had a PASER rating of Poor in 2014.
- Terry, Dresden, and Dearborn (\$375,000). Each road has a PASER rating of Poor in 2014.

Capital Projects Fund

- Complete repair of city hall parking lot (\$290,000). The parking lot for city hall buckled during the winter of 2014 causing several sections to be closed for safety reasons.
- City hall air conditioning units, three in total (\$75,000). The air conditioning units that serve city hall have outlived their useful lives and constantly require maintenance. The replacement will reduce maintenance costs and potentially energy costs as well, which will be offset by rate increases.
- Servers (\$25,000). The servers will have reached the end of its useful life. This is part of a standard replacement plan.
- Digital storage (\$40,000). The back-up storage unit will have reached the end of its useful life. This is part of a standard replacement plan.
- Demolition of pedestrian bridge over M-59 near the Silverdome (\$235,000). A few years ago, emergency repairs were made on this bridge spanning M-59. The bridge is no longer in use and is a liability to the City.

- Demolition of pedestrian bridge over Auburn Road (\$20,000). This small bridge is no longer in use and is a liability to the City.
- Conversion of City-owned streetlights to LED (\$751,200). The City is spending nearly \$285,000 annually in its Major Street Fund maintaining the City-owned streetlights. The plan is to convert the lights to LED and potentially transferring the assets to DTE, thus freeing the funds for other street maintenance activities. If City-owned lights are converted to LED, the City is expected to save an additional \$90,000 per year in the General Fund. If the assets are transferred to DTE, the City will save at least \$140,000 in the Major and Local Street Funds but could increase General Fund expenditures by about \$60,000 per year.
- Street to be determined (\$600,000). This was a last minute addition to the budget. A street will be identified in the future.

The following projects are requested to be funded in the 2017-18 budget:

Major Street Fund

- City contribution to repair Opdyke Road as part of the Tri-Party program (\$78,000).

Capital Projects Fund

- Computer backup system (\$20,000). The existing equipment will have reached the end of its useful life.
- Network switches (\$25,000). The existing switches will have reached the end of their useful lives.

The following projects are requested to be funded in the 2018-19 budget:

- None at this time.

The following projects are requested to be funded in the 2019-20 budget:

- None at this time.

The following projects are requested to be funded in the 2020-21 budget:

Capital Projects Fund

- PC upgrade (\$100,000). The existing computers will have reached the end of their useful life.

- VOIP telephone system (\$75,000). The existing phone system will have reached the end of its useful life.

The following capital projects have been designated as critical, but no funding source has been identified:

Road Repairs

- 2017-18, Martin Luther King Jr., Blvd. segments from South Blvd. to Elm and University Dr. to Perry, 7,370 feet; estimated costs vary from \$2,797,961 for a mill and overlay to \$6,078,035 for a rigid reconstruction. Before a temporary fix in 2014, the 2013 PASER rating was 3.
- 2017-18, Paddock from Central to Grandview, 12,305 feet; estimated cost for flexible reconstruction is \$3,430,523, less \$750,000 spent in the 2015-16 fiscal year. The 2014 PASER rating is Poor.
- 2017-18, Franklin Blvd between south city limit and Rapid, 6,245 feet; estimated cost for flexible reconstruction, less preliminary engineering, for the balance of the road is \$861,037. The 2013 PASER ratings range from 2 to 5.
- 2018-19, Mill Street from University to Water, 1,400 feet; estimated cost for rigid reconstruction is \$715,222. The 2013 PASER ratings range from 3 to 5.
- 2018-19, E. Pike Street, inside the Loop, 2,590 feet; estimated cost for rigid reconstruction is \$1,126,789. The 2013 PASER rating is 2.
- 2019-20, E. Pike Street segments from Marshall to NB Woodward and SB Woodward to Williams, 6,555 feet; estimated cost for flexible reconstruction is \$2,326,458. The 2013 PASER rating is 2.
- 2019-20, Giddings, between Perry and Walton; rough estimate is \$750,000. The 2013 PASER rating is 3.

The following capital projects were and will continue to be submitted to the Oakland County Federal Aid Committee for funding assistance, and will not be implemented until funding has been secured:

Road Repairs

- Pike Street from Franklin Street to Marshall Street, 9,145 feet; estimated cost is \$3,453,247. The 2013 PASER ratings range from 2 to 4.
- Mill Street from University Drive to Huron Street, 260 feet; estimated cost is \$99,316. The 2013 PASER rating is 5.

The following capital projects were and will continue to be submitted to the State of Michigan for funding assistance, and will not be implemented until funding has been secured:

Road Repairs

- Centerpoint Parkway, from South Blvd. to site of Challenge, Mfg. (\$500,000). The 2013 PASER rating between 6 and 7.
- Ring Road (\$1,000,000). The 2014 PASER rating is Poor.
- Conversion of the Woodward Loop to two-way travel. On June 28, 2013, Parsons Brinckerhoff issued the Downtown Pontiac Transportation Assessment, a document available on the City's web site and incorporated into the City's master plan in 2014. The road is part of the State-trunkline, so MDOT approval will be required for phases II and III. The plan is calling for the elimination of the Woodward Loop and the restoration of two-way travel. The plan was divided into three phases as described below:

Time Frame and Improvements	Design Costs 2012 Dollars	Right-of-Way Cost	Construction 2012 Dollars	Construction 2035 Dollars
1 to 3 years; signage, two-way internal streets	84,000	NA	840,000	2,100,000
3 to 10 years; signage, two-way internal streets, south gateway to Cesar Chavez	300,000	needed for 400'	3,000,000	7,400,000
over 10 years; south Gateway to Ceasar Chavez	250,000	NA	2,500,000	6,200,000
TOTALS	634,000	TBD	6,340,000	15,700,000

No funding sources have been identified, but a Business Improvement District is being considered.

The City will also be conducting an evaluation survey of all of the streets in Pontiac in order to identify and prioritize streets to be repaired in future years. Due to the significant financial demands for various road repairs in Pontiac, the City must identify funding sources outside of the Major and Local Street funds. One possibility is to request the voters to approve a dedicated millage to fund road repairs.

Debt Obligations

When the City issues debt, the City is admitting that the City does not have the current financial resources to pay for a function of government at the time of use or purchase and has chosen to pay off the cost of such use or function over time, with interest. As debt levels increase, the City has fewer resources to use to pay for current expenditures.

The following bonds previously issued by the Tax Increment Finance Authority are the City's responsibility as of July 1, 2015:

TIFA 2 2007C Bond

Original Issue Amount \$1,315,000:

Fiscal Year Ending	Principal	Interest	Total
June 30, 2016	180,000.00	13,462.50	193,462.50
June 30, 2017	185,000.00	6,937.50	191,937.50
	<u>\$ 365,000.00</u>	<u>20,400.00</u>	<u>385,400.00</u>

TIFA 2 2007C Bond

Original Issue Amount \$3,280,000:

Fiscal Year Ending	Principal	Interest	Total
June 30, 2016	260,000.00	116,056.26	376,056.26
June 30, 2017	275,000.00	106,631.26	381,631.26
June 30, 2018	280,000.00	96,318.76	376,318.76
June 30, 2019	295,000.00	85,118.76	380,118.76
June 30, 2020	305,000.00	73,318.76	378,318.76
June 30, 2021	315,000.00	60,737.50	375,737.50
June 30, 2022	305,000.00	44,987.50	349,987.50
June 30, 2023	305,000.00	29,737.50	334,737.50
June 30, 2024	305,000.00	14,487.50	319,487.50
	<u>\$ 2,645,000.00</u>	<u>627,393.80</u>	<u>3,272,393.80</u>

TIFA 3 2007C Bond

Original Issue Amount \$24,450,000:

Fiscal Year Ending	Principal	Interest	Total
June 30, 2016	770,000.00	996,556.26	1,766,556.26
June 30, 2017	800,000.00	968,643.76	1,768,643.76
June 30, 2018	1,025,000.00	938,643.76	1,963,643.76
June 30, 2019	1,065,000.00	897,643.76	1,962,643.76
June 30, 2020	1,105,000.00	855,043.76	1,960,043.76
June 30, 2021	1,155,000.00	809,462.50	1,964,462.50
June 30, 2022	1,555,000.00	751,712.50	2,306,712.50
June 30, 2023	1,680,000.00	673,962.50	2,353,962.50
June 30, 2024	1,410,000.00	589,962.50	1,999,962.50
June 30, 2025	1,520,000.00	522,987.50	2,042,987.50
June 30, 2026	1,630,000.00	450,787.50	2,080,787.50
June 30, 2027	1,745,000.00	373,362.50	2,118,362.50
June 30, 2028	1,565,000.00	290,475.00	1,855,475.00
June 30, 2029	1,570,000.00	220,050.00	1,790,050.00
June 30, 2030	1,675,000.00	149,400.00	1,824,400.00
June 30, 2031	1,645,000.00	74,025.00	1,719,025.00
	<u>\$ 21,915,000.00</u>	<u>9,562,718.80</u>	<u>31,477,718.80</u>

The bond payments are due in annual installments of \$590,000 to \$1,985,000 through the year 2031 with interest rates at 3.5% to 5.0%. The tax increment finance authority receives its revenues from a tax increment finance district that captures certain city, county, school, community college, and other property taxes. Because tax revenue captures are not anticipated to be able to cover debt payments, the City's General Fund is obligated to make up the difference. This will be accomplished by a contribution from the General Fund Community Development function to the Tax Increment Finance Authority.

Under GASB 70, the City is required to record a liability in the TIFA funds to repay the General Fund for funds contributed by the General Fund to cover the bond payments. As of June 30, 2014, TIFA 2 owes the General Fund \$568,918.76 and TIFA 3 owes the General Fund \$206,082. This debt has resulted in a

fund deficit for TIFA 3. As a result, the State of Michigan has required the City to file a deficit elimination plan with the Michigan Department of Treasury. The City has requested the Treasury Department to reconsider its order because the only source that the City has to eliminate the deficit is the General Fund which is the debtor.

In the fiscal year ended June 30, 2013, the City set aside \$296,000 and to pay the accrued sick time of police officers who separated from the City in 2011. The City agreed to pay these officers their sick time upon application for retirement as a condition of the agreement to allow the Oakland County Sheriff to patrol Pontiac. Payments will be made over the next several years as former officers apply for retirement. The City has chosen to pay accrued sick and vacation time as current employees separate from the City using current available resources rather than from the Sick and Vacation Fund once the Sick and Vacation fund is fully expended.

In addition to the bond issue, the City also has other debt obligations that it does not intend to make nor is required to make under the law, but are required to be recorded and reported on the government wide financial statements. The first debt obligation is the net obligation for other post employment benefits which total \$54,051,299 as of June 30, 2014. Cumulatively, all of the City's other post employment benefits have an unfunded actuarial accrued liability of \$264,522,150. The closing of the GERS pension plan and the transfer of the required assets to MERS would relieve at least \$150 million to address these long-term liabilities.

Proposed Tax Rates to Support 2015-16 Budget

The following are the proposed tax rates to support the budget for the 2015-16 fiscal year (still subject to Headlee Rollback limitations):

<u>Millage</u>	<u>Original Rate</u>	<u>2014 Rate</u>	<u>2015 Allowed</u>	<u>2015 Proposed</u>
Operating	12.0000	11.2737	11.2737	11.2737
Capital Improvement	1.5000	1.4091	1.4091	1.4091
Sanitation	3.0000	2.8183	2.8183	2.8183
Senior Services	0.5000	0.5000	0.5000	0.5000

State law permits a Home Rule City like Pontiac to levy up to 20.0000 mills under its charter. The Charter authorizes the Operating and Capital Improvement millages. The City of Pontiac has permission to levy an additional 7.3172 mills should the voters approve an amendment to the city charter and override the Headlee Amendment.

The Senior Services levy expires on December 31, 2016 and would need to be renewed by vote of the people.

Because the millage reduction factor for 2016 is not available until May of 2016, the millage rate to support the 2016-17 fiscal year budget cannot be calculated; however, the City is assuming that all millage rates levied by the City will remain constant. The city council will be required to hold a public hearing on the proposed tax rates in June of 2016 before adopting the rates.

Performance Dashboard

Local Unit Name:

City of Pontiac

Local Unit Code:

63-2170

	2012	2013	Trend	Performance
Fiscal Stability				
Annual GF Expenditures per capita	\$671	\$1,289	92.1%	Negative
Fund Balance as % of Annual GF Expenditures	-8.6%	1.1%	- 113.3%	Positive
Unfunded Pension & OPEB Liability, as a % of annual GF revenue	607%	1090%	79.7%	Negative
Debt burden per capita	\$1,159	\$445	-61.6%	Positive
Percentage of road funding provided by the General Fund	0.0%	0.0%	#DIV/0!	#DIV/0!
Ratio of pensioners to employees	8.47	35.33	317.0%	Negative
Number of services delivered via cooperative venture	5	5	0.0%	Neutral
Economic Strength				
% of community with access to high speed broadband	100%	100%	0.0%	Neutral
% of community age 25+ with Bachelor's Degree or higher.	12%	12%	0.0%	Neutral
Average age of critical infrastructure (years)	17.9	8.2	-54.4%	Positive
Public Safety				
Violent crimes per thousand	39	35	-11.2%	Positive
Property crimes per thousand	55	55	0.8%	Neutral
Traffic injuries or fatalities	392	338	-13.8%	Positive
Quality of Life				
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major roads & streets	1.33	1.33	0.0%	Neutral
Percent of GF Expenditures Committed to Arts, Culture and Recreation	0.7%	0.8%	7.8%	Neutral
Acres of parks per thousand residents	15.5	15.5	0.0%	Neutral
Percent of community being provided with curbside recycling	0%	0%	#DIV/0!	#DIV/0!

Trends

General Fund's Revenues, Expenditures, Other Items, Annual Change in Fund Balance, and Fund Balance at the End of the Fiscal Year and Project Fund Balance in Future Years.

Year End 6/30/2015 through 6/30/2017 are estimated. The City's Fund Balance Policy calls for 15% of unassigned fund balance in the General Fund. With the 2015-16 fiscal year, the operations of the Building Safety Department will be funded in a special revenue fund (\$2,990,000 in revenue/expenses.)

<u>Year End</u>	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Sources (Uses)</u> <u>and Special Items</u>	<u>Change in</u> <u>Fund Balance</u>	<u>Fund Balance</u> <u>(end of year)</u>
6/30/2017	\$ 30,857,388	\$ 30,170,669	\$ (1,438,514)	\$ (751,795)	\$ 6,378,939
6/30/2016	\$ 30,821,813	\$ 29,177,156	\$ (2,658,312)	\$ (1,013,655)	\$ 7,130,734
6/30/2015	\$ 32,551,756	\$ 28,993,811	\$ (545,072)	\$ 3,012,873	\$ 8,144,389
6/30/2014	\$ 31,220,024	\$ 27,367,455	\$ 403,864	\$ 4,256,433	\$ 5,131,516
6/30/2013	\$ 32,119,565	\$ 76,744,023	\$ 48,925,135	\$ 4,300,677	\$ 875,083
6/30/2012	\$ 38,709,018	\$ 39,958,067	\$ (2,731,277)	\$ (3,980,326)	\$ (3,425,594)
6/30/2011	\$ 35,632,707	\$ 29,482,321	\$ (1,506,455)	\$ 4,643,931	\$ 554,732
6/30/2010	\$ 37,806,348	\$ 36,994,403	\$ (111,073)	\$ 700,872	\$ (4,089,199)
6/30/2009	\$ 43,473,421	\$ 41,046,081	\$ (209,454)	\$ 2,217,886	\$ (4,790,071)
6/30/2008	\$ 48,826,048	\$ 46,193,123	\$ (3,562,642)	\$ (929,717)	\$ (7,007,957)
6/30/2007	\$ 45,761,033	\$ 47,487,525	\$ (238,545)	\$ (1,965,037)	\$ (6,078,240)
6/30/2006	\$ 47,361,896	\$ 50,110,618	\$ 30,333,066	\$ 27,584,344	\$ (4,113,203)
6/30/2005	\$ 48,936,199	\$ 55,834,525	\$ (3,953,252)	\$ (10,851,578)	\$ (31,697,547)
6/30/2004	\$ 49,207,772	\$ 54,102,915	\$ (3,461,406)	\$ (8,356,549)	\$ (20,845,969)

Trend of State Equalized Value and Taxable Value in the City of Pontiac and Total Property Taxes Levied by the City across All Funds.

<u>Year</u>	<u>State Equalized Value</u>	<u>Taxable Value</u>
2015	\$ 740,671,720	\$ 680,032,000
2014	\$ 700,458,220	\$ 663,762,170
2013	\$ 607,058,490	\$ 574,588,690
2012	\$ 840,440,760	\$ 791,583,260
2011	\$ 980,172,850	\$ 907,996,950
2010	\$ 1,339,878,320	\$ 1,177,478,710
2009	\$ 1,674,413,280	\$ 1,377,212,650
2008	\$ 1,952,517,700	\$ 1,472,949,920
2007	\$ 1,986,819,560	\$ 1,437,075,310
2006	\$ 1,970,814,650	\$ 1,403,513,742
2005	\$ 1,897,656,450	\$ 1,325,354,962
2004	\$ 1,811,264,850	\$ 1,286,757,160

Summer and Winter Millage Rates for Pontiac Property Owners

<i>Tax Season</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>Fiscal Year</i>	<i>FY06</i>	<i>FY07</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>
CITY- SUMMER TAX BILL					
City Operating	11.2737	11.2737	11.2737	9.9068	11.2737
Capital Improvement	1.4091	1.4091	1.4091	1.4091	1.4091
Refuse Collection	2.8183	2.8183	2.8183	2.8183	2.8183
Debt	4.3000	2.4700			
CITY TOTAL	19.8011	17.9711	15.5011	14.1342	15.5011
LIBRARY			1.0000	1.0000	1.0000
SENIORS			0.5000	0.5000	0.5000
MINOR RECREATION			0.5000		
POLICE			0.8172		
TOTAL CITY VOTED	-	-	2.8172	1.5000	1.5000
SCHOOL DISTRICT					
Operating Nonhomestead	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	1.7200	1.3500	1.3500	1.7400	1.8500
STATE EDUCATION TOTAL	6.0000	6.0000	6.0000	6.0000	6.0000
OAKLAND INTERMEDIATE SCHOOL DISTRICT					
Operating	0.2003	0.2003	0.2003	0.2003	0.2003
Special Education	2.5456	2.5456	2.5456	2.5456	2.5456
Vocational Education	0.6231	0.6231	0.6231	0.6231	0.6231
INTERMEDIATE SCHOOL TOTAL	3.3690	3.3690	3.3690	3.3690	3.3690
OAKLAND COMMUNITY COLLEGE					
Operating	1.5844	1.5844	1.5844	1.5844	1.5844
CHAPTER 20 DRAINS	-	-			
COUNTY					
Operating		2.8000	4.1900	4.1900	4.1900
CITY LAW SUITS					
ORDERED DEBT					
ORDERED DEBT					
TOTAL JULY TAX RATE HOMESTEAD	32.4745	30.2745	30.6217	32.5176	33.9945
TOTAL JULY TAX RATE NON HOMESTEAD	50.4745	48.2745	48.6217	50.5176	51.9945

<i>Tax Season</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
<i>Fiscal Year</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>
CITY - SUMMER TAX BILL					
City Operating	11.2737	11.2737	11.2737	11.2737	11.2737
Capital Improvement	1.4091	1.4091	1.4091	1.4091	1.4091
Refuse Collection	2.8183	2.8183	2.8183	2.8183	2.8183
Debt					
CITY TOTAL	15.5011	15.5011	15.5011	15.5011	15.5011
LIBRARY	1.0000	1.0000	1.0000	1.0000	1.0000
SENIOR SERVICES	0.5000	0.5000	0.5000	0.5000	0.5000
TOTAL CITY VOTED	1.5000	1.5000	1.5000	1.5000	1.5000
SCHOOL DISTRICT					
Operating Nonhomestead	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	2.1800	2.2500	3.0500	3.8700	3.8700
MESSA Judgment - 2013				0.3071	0.3424
STATE EDUCATION TOTAL	6.0000	6.0000	6.0000	6.0000	6.0000
OAKLAND INTERMEDIATE SCHOOL DISTRICT					
Operating	0.2003	0.2003	0.2003	0.2003	-
Special Education	2.5456	2.5456	2.5456	2.5456	2.5456
Vocational Education	0.6231	0.6231	0.6231	0.6231	0.6231
INTERMEDIATE SCHOOL TOTAL	3.3690	3.3690	3.3690	3.3690	3.1687
OAKLAND COMMUNITY COLLEGE					
Operating	1.5844	1.5844	1.5844	1.5844	1.5844
CHAPTER 20 DRAINS					
COUNTY					
Operating	4.1900	4.1900	4.1900	4.1900	4.1900
CITY LAW SUITS					
ORDERED DEBT		0.0470			
ORDERED DEBT		0.0070	0.0542		
TOTAL JULY TAX RATE HOMESTEAD	34.3245	34.4485	35.2487	36.3216	36.1566
TOTAL JULY TAX RATE NON HOMESTEAD	52.3245	52.4485	53.2487	54.3216	54.1566

<i>Tax Season</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<i>Fiscal Year</i>	<i>FY06</i>	<i>FY07</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>
WINTER TAX BILL					
COUNTY					
Operating	4.1900	1.3900			
Parks & Recreation	0.2415	0.2415	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2146	0.2146	0.2146	0.2146	0.2146
SMART	0.5950	0.5900	0.5900	0.5900	0.5900
ZOO AUTHORITY				0.1000	0.1000
ART INSTITUTE					
CITY LAW SUITS					
ORDERED DEBT					
ORDERED DEBT					
TOTAL DECEMBER TAX RATE	5.2411	2.4361	1.0461	1.1461	1.1461

<i>Tax Season</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
<i>Fiscal Year</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>
WINTER TAX BILL					
COUNTY					
Operating					
Parks & Recreation	0.2415	0.2415	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2146	0.2146	0.2146	0.2146	0.2146
SMART	0.5900	0.5900	0.5900	0.5900	1.0000
ZOO AUTHORITY	0.1000	0.1000	0.1000	0.1000	0.1000
ART INSTITUTE		0.2000	0.2000	0.2000	0.2000
CITY LAW SUITS					
ORDERED DEBT	0.18	0.0470			
ORDERED DEBT	0.04	0.0070			
TOTAL DECEMBER TAX RATE	1.3661	1.4001	1.3461	1.3461	1.7561

Budgeted Third Party Services with Direct Cost to the City, 2015-16

The City has contracted with the following vendors to provide the following services to the City:

Vendor	Service	Cost	Expires
General Fund			
Oakland County Sheriff	police patrol	\$ 10,585,213	12/31/2015
Oakland County Sheriff	police overtime	\$ 715,750	12/31/2015
Oakland County Sheriff	police and fire dispatch	\$ 149,643	3/31/2018
Kristel Cleaning	janitorial - substation	\$ 38,400	6/30/2016
TDE Group	salting and plowing - substation	\$ 18,000	1/4/2018
Waterford Regional Fire Department	fire protection	\$ 6,329,162	1/17/2022
Star EMS	emergency medical service	\$ -	1/31/2016
Wade Trim	code enforcement	\$ 125,000	6/30/2017
Wade Trim	planning	\$ 114,000	6/30/2017
Clarkston Trees	tree maintenance	\$ 85,000	8/15/2016
Innovative Software	income tax collection	\$ 290,000	upon notice
Innovative Software	income tax collection - court	\$ 50,000	upon notice
Oakland County	assessing	\$ 413,000	6/30/2016
Plante Moran	accounting	\$ 250,000	6/30/2015
Plante Moran	budget	\$ 10,000	6/30/2015
SARCOM	information technology	\$ 303,000	10/17/2015
Rehman	external audit	\$ 75,000	upon notice
Giamarco, Mullins & Horton	city attorney	\$ 375,000	upon notice
Kristel Cleaning	janitorial - City Hall	\$ 40,000	6/30/2016
Redigan	salting and plowing - City Hall/Sheriff	\$ 38,000	7/31/2015
Plunkett Cooney	Bloomfield Park services	\$ 15,000	upon notice
Tucker Young Jackson Tull	civil engineering	\$ 180,000	5/29/2016
Detroit Memorial Park	cemeteries	\$ -	2/28/2017
to be determined	grass cutting, city property	\$ 80,000	expired
GENERAL FUND TOTAL		\$ 20,279,168	
Major and Local Street Funds			
Road Commission for Oakland County	salting and plowing	\$ 225,000	12/20/2018
Curbco	pothole patching	\$ 194,500	11/21/2015
United Resources	storm sewer maintenance	\$ 271,142	5/15/2016
Fiore	ROW repairs	\$ 406,715	3/20/2017
Tucker Young Jackson Tull	engineering	\$ 120,000	5/26/2016
to be determined	traffic signal removal study	\$ 103,000	new contract
to be determined	street sweeping	\$ 200,000	expired
TDE Group	salting and plowing	\$ 145,000	1/4/2018
Redigan	downtown salting and plowing	\$ 35,000	7/31/2015
J. Ranck Electric	street light maintenance	\$ 140,000	1/14/2016
J. Ranck Electric	traffic signal maintenance	\$ 152,000	1/14/2016
United Resources	storm sewer maintenance	\$ 677,857	5/15/2016
to be determined	road striping	\$ 200,000	new contract
to be determined	traffic study	\$ 103,000	new contract
to be determined	road striping, street and traffic signs	\$ 331,300	expired
Clarkston Tree	trees in ROW	\$ 30,000	8/15/2016
to be determined	grass cutting, right-of-way	\$ 50,000	expired
MAJOR AND LOCAL STREET FUNDS TOTAL		\$ 3,384,514	
Sanitation Fund			
Advanced Disposal	garbage collection	\$ 2,950,000	6/30/2024
SANITATION FUND TOTAL		\$ 2,950,000	

Budgeted Third Party Services with Direct Cost to the City, 2016-17

The City has contracted with the following vendors to provide the following services to the City.

Vendor	Service	Cost	Expires
<u>General Fund</u>			
Oakland County Sheriff	police patrol	\$ 10,945,225	12/31/2015
Oakland County Sheriff	police overtime	\$ 746,130	12/31/2015
Oakland County Sheriff	police and fire dispatch	\$ 156,983	12/31/2015
Kristel Cleaning	janitorial - substation	\$ 38,400	6/30/2016
Waterford Regional Fire Department	fire protection	\$ 6,645,625	1/17/2022
Star EMS	emergency medical service	\$ -	1/31/2016
Wade Trim	planning	\$ 114,000	6/30/2017
Innovative Software	income tax collection	\$ 290,000	upon notice
Innovative Software	income tax collection - court	\$ 50,000	upon notice
Oakland County	assessing	\$ 413,000	6/30/2016
Plante Moran	accounting	\$ 250,000	6/30/2015
Plante Moran	budget	\$ 10,000	6/30/2015
SARCOM	information technology	\$ 306,000	10/17/2015
Rehman	external audit	\$ 75,000	upon notice
Giamarco, Mullins & Horton	city attorney	\$ 400,000	upon notice
Kristel Cleaning	janitorial - City Hall	\$ 40,000	6/30/2016
Redigan	salting and plowing - City Hall and S	\$ 20,000	7/31/2015
Tucker Young Jackson Tull	civil engineering	\$ 180,000	5/29/2016
Detroit Memorial Park	cemeteries	\$ -	2/28/2017
to be determined	grass cutting, city property	\$ 50,000	expired
GENERAL FUND TOTAL		\$ 20,730,363	
<u>Major and Local Street Funds</u>			
Road Commission for Oakland County	salting and plowing	\$ 225,000	12/20/2018
Curbco	pothole patching	\$ 194,500	11/21/2015
United Resources	storm sewer maintenance	\$ 612,000	5/15/2016
Fiore	ROW repairs	\$ 408,000	3/20/2017
Tucker Young Jackson Tull	engineering	\$ 120,000	5/29/2016
to be determined	street sweeping	\$ 200,000	expired
TDE Group	salting and plowing	\$ 145,000	1/4/2018
Redigan	downtown salting and plowing	\$ 35,000	7/31/2015
to be determined	striping	\$ 150,000	new contract
J. Ranck Electric	street light maintenance	\$ 140,000	1/14/2016
J. Ranck Electric	traffic signal maintenance	\$ 152,000	1/14/2016
to be determined	street and traffic signs	\$ 131,300	expired
Clarkston Tree	trees in ROW	\$ 30,000	8/15/2016
to be determined	grass cutting, right-of-way	\$ 50,000	expired
MAJOR AND LOCAL STREET FUNDS TOTAL		\$ 2,592,800	
<u>Sanitation Fund</u>			
Advanced Disposal	garbage collection	\$ 3,097,500	6/30/2024
SANITATION FUND TOTAL		\$ 3,097,500	

The City will be funding building inspection services out of the Building Inspection Fund starting in fiscal year 2015-16. The City is allocating the same amount to Wade Trim in 2015-16 as it is in 2014-15.

Services Provided by other Governments at No Cost to the City

The City has absolved itself of all control over each of the following services which are now provided by the following government agencies. As a result, these services are now provided at no cost to the City. Any questions or concerns about the following services should be directed to the government agency as listed.

<u>Provider</u>	<u>Service</u>	<u>Telephone Number</u>
Oakland County	animal control	248-391-4102
Water Resources Commission	soil erosion and sedimentation control	248-858-5389
Water Resources Commission	water and sewer emergencies	248-624-6366
Water Resources Commission	water and sewer services	248-858-1110
Oakland County Clerk	birth and death certificates	248-858-0571
Oakland County	HOME improvement program	248-858-5401
SMART	senior citizen commuter bus service	866-962-5515

Staffing Levels

The following staffing levels are represented by function in the proposed budget:

Function	Full Time Employees				Part-Time Employees			
	Ended 2013-14	Amended 2014-15	Proposed 2015-16	Proposed 2016-17	Ended 2013-14	Amended 2014-15	Proposed 2015-16	Proposed 2016-17
City Council	0	0	0	0	7	7	7	7
City Administrator	2	2	2	2	0	0	0	0
Mayor	2	2	4	4	0	0	0	0
Finance	1	1	1	1	0	0	0	0
Accounts Payable	1	1	1	1	0	0	0	0
Income Tax	0	1	1	1	0	0	0	0
City Clerk	2	3	3	3	0	0	0	0
Human Resources/Insurance	1	1	2	2	1	1	0	0
Purchasing	0.6	0.6	0.6	0.6	0	0	0	0
Risk Management	0.1	0.1	0.1	0.1	0	0	0	0
Payroll	0.3	0.3	0.3	0.3	0	0	0	0
Treasurer	4	3	3	3	0	0	0	0
Building Maintenance	1	1	1	1	0	0	0	0
Sheriff	1	1	1	1	0	0	0	0
Crossing Guards	0	0	0	0	3	3	3	3
Department of Public Works	4	5	5	5	1	1	1	1
Engineer	1	1	1	1	0	0	0	0
Redevelopment and Housing	1	1	2	2	1	1	0	0
Cable	1	1	1	1	0	0	0	0
Senior Centers	0	3	3	3	3	0	0	0
Totals:	23	28	32	32	16	13	11	11
District Court	Totals:	32	32	32	2	2	3	3

Beginning July 1, 2015, a request has been to the Transition Advisory Board elevating two previous part-time positions to full-time: the Customer Service Representative in Insurance and the Customer Service Representative in Redevelopment and Housing. The department heads have identified increase workload in both offices. In Insurance, a full-time position will be necessary when retiree health insurance is restored. In Redevelopment and Housing, a major filing project must be completed: the sorting and filing of all documents related to the former Pontiac Growth Group and former Federal Programs Office. In addition, the Mayor has requested the restoration of one old position and the creation of one new position to assist her in her efforts to proactively promote economic development and greater community involvement as well as play a major role in supporting the activities of the Blight Authority. The Community Relations Specialist is a position previously eliminated by the Transition Advisory Board. The Customer Service Representative is a part-time position that was shared with the Community Development Department during the past 18 months and now justifies full-time support to the Mayor based on the new initiatives.

Cost of Employees

City Employees for 2015-16 Fiscal Year

<u>Dept.</u>	<u>Last Name</u>	<u>Title</u>	<u>Salary</u>	<u>Fringes</u>	<u>Total Cost</u>	<u>Retiree</u>
						<u>Health</u> <u>Care</u>
Council	Carter	Council person	7,000	563	7,563	No
Council	Holland	Council person	7,000	563	7,563	No
Council	Pietila	Council person	7,000	563	7,563	No
Council	Taylor Burks	Council person	7,000	563	7,563	No
Council	Waterman	Council person	7,000	563	7,563	No
Council	Williams	Council person	7,000	563	7,563	No
Council	Woodward	Council person	7,000	563	7,563	No
Mayor	Waterman	Mayor	100,000	15,372	115,372	No
Mayor	Vacant	Deputy Mayor	95,000	28,586	123,586	No
Mayor	Vacant	Community Relations Specialist	50,000	23,173	73,173	No
Mayor	Vacant	Customer Service Representative	31,320	21,513	52,833	No
City Admin	Sobota	City Administrator	20,000	3,238	23,238	No
City Admin	Holzer	Executive Assistant	60,000	22,468	82,468	No
Finance	Nazarko	Finance Director	120,000	35,222	155,222	No
Finance	Hendricks	City Treasurer	80,000	25,478	105,478	No
Finance	Wilson	Deputy City Treasurer	50,000	18,636	68,636	Yes
Finance	Vacant	Income Tax Administrator	60,000	25,968	85,968	No
Finance	Vacant	Purchasing Agent/Fiscal Analyst	50,000	24,463	74,463	No
Finance	Peters	Payables and Receivables Manager	50,000	14,463	64,463	No
Finance	Mosley	Human Resources Specialist	60,000	22,468	82,468	No
Finance	McCraw	Customer Service Representative	31,320	11,513	42,833	No
Finance	Jimenez	Customer Service Representative	33,554	11,843	45,397	No
Clerk	Hawkins	City Clerk	80,000	28,978	108,978	No
Clerk	Grandison	Deputy City Clerk	50,000	14,463	64,463	No
Clerk	Wesley	Clerical Assistant	31,320	17,751	49,071	No
Public Works	King	DPW Director	90,000	30,443	120,443	No
Public Works	Balint	City Engineer	80,000	24,618	104,618	No
Public Works	Robinson	Building Superintendent	70,720	29,228	99,948	Yes
Public Works	Brimm	DPW Assistant	38,385	33,696	72,081	No
Public Works	Stewart	Accounting Assistant	51,982	11,543	63,525	Yes
Public Works	Tennille	Customer Service Representative	45,000	20,210	65,210	No
Public Works	Jimenez	Right-of-Way Inspector	41,600	29,459	71,059	No
Public Works	Johnson	DPW Assistant	22,620	2,985	25,605	No
Public Works	Howard	Senior Center Director	25,056	23,424	48,480	No
Public Works	Stevens	Senior Services Provider	20,880	22,154	43,034	No
Public Works	Teasley	Senior Services Provider	20,880	16,491	37,371	No
Comm. Dev.	Sobota	Community Development Director	100,000	22,000	122,000	No
Comm. Dev.	Doyle	Deputy Comm. Development Dir.	70,000	27,473	97,473	No
Comm. Dev.	Cayton	Cable Director	65,000	23,835	88,835	Yes
Comm. Dev.	Cox	Customer Service Representative	25,056	10,598	35,654	No
Sheriff	Reis	Customer Service Representative	45,000	20,210	65,210	No
Sheriff	Butler	Crossing Guard	4,000	407	4,407	No
Sheriff	Hardy	Crossing Guard	4,000	407	4,407	No
Sheriff	Murphy	Crossing Guard	4,000	407	4,407	No
					2,644,818	

50th District Court Employees for 2015-16 Fiscal Year

<u>Dept.</u>	<u>Last Name</u>	<u>Title</u>	<u>Salary</u>	<u>Fringes</u>	<u>Total Cost</u>	<u>Pension</u>	<u>Retiree Health Care</u>
Court	Adams	Court Clerk	38,979	37,635	76,614	Yes	Yes
Court	Bell	Court Officer	40,372	35,542	75,914	Yes	Yes
Court	Best	Chief Account Clerk	39,436	36,139	75,575	Yes	Yes
Court	Chamberlain	Court Clerk	34,935	17,968	52,903	Yes	Yes
Court	Chandler	Court Officer	40,372	35,739	76,111	Yes	Yes
Court	Devine	Court Recorder	42,702	15,825	58,527	Yes	Yes
Court	Escobar	Court Clerk I	35,068	17,460	52,528	Yes	Yes
Court	Ewing	Court Warrant Officer	40,372	38,955	79,327	Yes	Yes
Court	Finley	Court Recorder	35,609	25,360	60,969	Yes	Yes
Court	Flye	Chief Court Officer	56,742	8,132	64,874	Yes	Yes
Court	Garner	Court Clerk I	35,068	44,748	79,816	Yes	Yes
Court	Gracey	Court Warrant Officer	40,372	33,859	74,231	Yes	Yes
Court	Greer-Alvarez	Chief Probation Officer	59,592	31,223	90,815	Yes	Yes
Court	Gross	District Court Judge	45,724	9,831	55,555	Yes	Yes
Court	Herrgott	Court Officer	40,372	20,034	60,406	Yes	Yes
Court	Huff	Probation Officer I	49,816	36,901	86,717	Yes	Yes
Court	King	Compliance Auditor	58,240	5,133	63,373	Yes	Yes
Court	Martinez	District Court Judge	45,724	22,750	68,474	Yes	Yes
Court	Neill	Court Recorder	47,652	26,055	73,707	Yes	Yes
Court	Nelson	Court Assistant	32,615	12,195	44,810	Yes	Yes
Court	Ozra-Martinez	Court Clerk	34,050	16,838	50,888	Yes	Yes
Court	Polanco	Court Warrant Officer	40,372	39,380	79,752	Yes	Yes
Court	Powell	Court Clerk	35,068	37,140	72,208	Yes	Yes
Court	Ratliff	Court Clerk I	35,068	20,269	55,337	Yes	Yes
Court	Sellers	Court Secretary	34,569	6,274	40,843	Yes	Yes
Court	Thomas	District Court Judge	45,724	24,870	70,594	Yes	Yes
Court	Thompson	Court Clerk	35,068	19,214	54,282	Yes	Yes
Court	Walker	District Court Judge	45,724	21,970	67,694	Yes	Yes
Court	Ward	Court Administrator	100,000	27,116	127,116	Yes	Yes
Court	Wilkerson	Court Recorder	44,948	13,263	58,211	Yes	Yes
Court	Zanin	Court Officer	40,372	42,475	82,847	Yes	Yes
Court	Vacant	Court Clerk	33,384	33,553	66,937	Yes	Yes
Court	Vacant	Court Clerk - part time	15,600	1,256	16,856	No	No
Court	Vacant	Court Clerk - part time	15,600	1,256	16,856	No	No
Court	Vacant	Court Clerk - part time	15,600	1,256	16,856	No	No
					2,248,523		

City Employees for 2016-17 Fiscal Year

<u>Dept.</u>	<u>Last Name</u>	<u>Title</u>	<u>Salary</u>	<u>Fringes</u>	<u>Total Cost</u>	<u>Retiree Health Care</u>
Council	Carter	Council person	7,000	563	7,563	No
Council	Holland	Council person	7,000	563	7,563	No
Council	Pietila	Council person	7,000	563	7,563	No
Council	Taylor Burks	Council person	7,000	563	7,563	No
Council	Waterman	Council person	7,000	563	7,563	No
Council	Williams	Council person	7,000	563	7,563	No
Council	Woodward	Council person	7,000	563	7,563	No
Mayor	Waterman	Mayor	100,000	15,372	115,372	No
Mayor	Vacant	Deputy Mayor	95,000	28,586	123,586	No
Mayor	Vacant	Community Relations Specialist	50,000	23,173	73,173	No
Mayor	Vacant	Customer Service Representative	31,320	21,513	52,833	No
City Admin	Sobota	City Administrator	20,000	3,238	23,238	No
City Admin	Holzer	Executive Assistant	60,000	22,468	82,468	No
Finance	Nazarko	Finance Director	120,000	35,222	155,222	No
Finance	Hendricks	City Treasurer	80,000	25,478	105,478	No
Finance	Wilson	Deputy City Treasurer	52,000	16,636	68,636	Yes
Finance	Vacant	Income Tax Administrator	60,000	25,968	85,968	No
Finance	Vacant	Purchasing Agent/Fiscal Analyst	50,000	24,463	74,463	No
Finance	Peters	Payables and Receivables Manager	50,000	14,463	64,463	No
Finance	Mosley	Human Resources Specialist	60,000	22,468	82,468	No
Finance	McCraw	Customer Service Representative	31,320	11,513	42,833	No
Finance	Jimenez	Customer Service Representative	33,554	11,843	45,397	No
Clerk	Hawkins	City Clerk	80,000	28,978	108,978	No
Clerk	Grandison	Deputy City Clerk	50,000	14,463	64,463	No
Clerk	Wesley	Clerical Assistant	31,320	17,751	49,071	No
Public Works	King	DPW Director	90,000	30,443	120,443	No
Public Works	Balint	City Engineer	80,000	24,618	104,618	No
Public Works	Robinson	Building Superintendent	70,720	29,228	99,948	Yes
Public Works	Brimm	DPW Assistant	38,835	33,246	72,081	No
Public Works	Stewart	Accounting Assistant	51,982	11,543	63,525	Yes
Public Works	Tennille	Customer Service Representative	45,000	20,210	65,210	No
Public Works	Jimenez	Right-of-Way Inspector	41,600	29,459	71,059	No
Public Works	Johnson	DPW Assistant	22,620	2,985	25,605	No
Public Works	Moss	Senior Center Director	25,056	23,424	48,480	No
Public Works	Stevens	Senior Services Provider	20,880	22,154	43,034	No
Public Works	Vacant	Senior Services Provider	20,880	16,491	37,371	No
Comm. Dev.	Sobota	Community Development Director	100,000	22,000	122,000	No
Comm. Dev.	Doyle	Deputy Comm. Development Dir.	70,000	27,473	97,473	No
Comm. Dev.	Cayton	Cable Director	65,000	23,835	88,835	Yes
Comm. Dev.	Cox	Customer Service Representative	25,056	10,598	35,654	No
Sheriff	Reis	Customer Service Representative	45,000	20,210	65,210	No
Sheriff	Butler	Crossing Guard	4,000	407	4,407	No
Sheriff	Hardy	Crossing Guard	4,000	407	4,407	No
Sheriff	Murphy	Crossing Guard	4,000	407	4,407	No
					2,644,818	

50th District Court Employees for 2016-17 Fiscal Year

<u>Dept.</u>	<u>Last Name</u>	<u>Title</u>	<u>Salary</u>	<u>Fringes</u>	<u>Total Cost</u>	<u>Pension</u>	<u>Retiree</u>
							<u>Health</u> <u>Care</u>
Court	Adams	Court Clerk	40,148	23,775	63,923	Yes	Yes
Court	Bell	Court Officer	41,583	19,252	60,835	Yes	Yes
Court	Best	Chief Account Clerk	40,619	22,090	62,709	Yes	Yes
Court	Chamberlain	Court Clerk	36,120	9,713	45,833	Yes	Yes
Court	Chandler	Court Officer	41,583	19,405	60,988	Yes	Yes
Court	Devine	Court Recorder	43,983	14,799	58,782	Yes	Yes
Court	Escobar	Court Clerk I	36,120	9,218	45,338	Yes	Yes
Court	Ewing	Court Warrant Officer	41,583	25,420	67,003	Yes	Yes
Court	Finley	Court Recorder	36,677	18,135	54,812	Yes	Yes
Court	Flye	Chief Court Officer	58,444	25,140	83,584	Yes	Yes
Court	Garner	Court Clerk I	36,120	22,966	59,086	Yes	Yes
Court	Gracey	Court Warrant Officer	41,583	19,607	61,190	Yes	Yes
Court	Greer-Alvarez	Chief Probation Officer	61,379	27,953	89,332	Yes	Yes
Court	Gross	District Court Judge	45,724	7,727	53,451	Yes	Yes
Court	Herrgott	Court Officer	41,583	12,232	53,815	Yes	Yes
Court	Huff	Probation Officer I	51,310	20,634	71,944	Yes	Yes
Court	King	Compliance Auditor	59,987	6,232	66,219	Yes	Yes
Court	Martinez	District Court Judge	45,724	22,767	68,491	Yes	Yes
Court	Neill	Court Recorder	49,082	21,766	70,848	Yes	Yes
Court	Nelson	Court Assistant	32,615	9,287	41,902	Yes	Yes
Court	Ozra-Martinez	Court Clerk	35,068	11,290	46,358	Yes	Yes
Court	Polanco	Court Warrant Officer	41,583	25,502	67,085	Yes	Yes
Court	Powell	Court Clerk	36,120	23,179	59,299	Yes	Yes
Court	Ratliff	Court Clerk I	36,120	13,003	49,123	Yes	Yes
Court	Sellers	Court Secretary	35,606	6,957	42,563	Yes	Yes
Court	Thomas	District Court Judge	45,724	18,997	64,721	Yes	Yes
Court	Thompson	Court Clerk	36,120	11,131	47,251	Yes	Yes
Court	Walker	District Court Judge	45,724	12,269	57,993	Yes	Yes
Court	Ward	Court Administrator	103,000	26,419	129,419	Yes	Yes
Court	Wilkerson	Court Recorder	46,297	11,254	57,551	Yes	Yes
Court	Zanin	Court Officer	41,583	25,541	67,124	Yes	Yes
Court	Vacant	Court Clerk	33,384	33,553	66,937	Yes	Yes
Court	Vacant	Court Clerk - part time	15,600	1,256	16,856	No	No
Court	Vacant	Court Clerk - part time	15,600	1,256	16,856	No	No
Court	Vacant	Court Clerk - part time	15,600	1,256	16,856	No	No
					2,046,077		

Fringes include any overtime that is allocated to a particular employee based on history.

The base pay of city council members is \$100 per meeting with an additional \$50 per committee meeting per month with a limit of three committee meetings. Compensation of the city council and the mayor is established by the Local Officials Compensation Commission which is scheduled to meet in 2017. Their minutes are available on the City's web site.

The cost to the City of employee health insurance is limited by law. The union employees of the 50th District Court are entitled to full coverage of all insurance costs through June 30, 2016, while all other employees of the City and the non-union employees of the Court whom receive insurance benefits must share in the cost of the insurance benefits. For the fiscal year ending June 30, 2016, the family insurance

plan for Court union employees is estimated to cost the City \$30,616, while the City will expend around \$16,500 for family insurance plans for the other employees. With the fiscal year beginning July 1, 2016, the Court union employees will be required to share in the cost of health insurance.

Glossary

Abate - To suppress or end a nuisance (such as weed abatement).

Accrual Basis of Accounting - A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Activity - Cost center within a fund or department to which specific expenses are to be allocated.

Assessed Valuation - The estimated value placed upon real and personal property by the City Assessor. Assessed value is required to be at 50% of true cash value.

Annual Appropriation Ordinance - The final City operating budget as approved by the city council. It reflects the City's operating budget at the beginning of the fiscal year on July 1st.

Appropriations - Money set aside by formal action by city council for specific governmental expenditures.

Balanced Budget - A budget in which revenues are at least equal to expenditures. It refers to a budget that has no budget deficit, but could possibly have a budget surplus.

Budget Ordinance - An ordinance adopting and approving a budget for the fiscal year beginning July 1st.

Budgetary Control - The level at which expenditures cannot legally exceed the appropriated amounts.

Capital Outlay - A disbursement of money, which results in the acquisition of or addition to fixed assets. The item must have a minimum purchase price as determined by City management and have a useful life of more than 1 year.

Census - The official process of counting the number of people in a country, city, or town and collecting demographic information.

City Administrator - The position established by order of the emergency manager that is responsible for day-to-day administration of the city and reports to and serves at the pleasure of the transition advisory board.

Contingency - An estimated amount of funds needed for deficiency or emergency purposes. An annual appropriation to cover short falls in revenue and/or underestimation of expenditures. Under Michigan law, to be used, contingencies must be moved to a more distinctive appropriation by a budget amendment.

Contractual Services - Expenditures resulting from services that the City receives from an outside company.

Debt Service - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Expenditure - Represents the money going out from the government to pay for the services or functions and facilities the government provides for its jurisdiction.

Expense - The cost of goods delivered and services rendered, whether paid or unpaid in the Enterprise Funds.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance - The excess of an entity's assets over liabilities. A negative fund balance is sometimes called a deficit.

GAAP - Abbreviation for Generally Accepted Accounting Principles.

GASB - The Governmental Accounting Standards Board, which provides direction in accounting and reporting requirements for units of government.

Headlee Override - A Headlee override is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or a vote of the people, and is necessary to counteract the effects of the Headlee Rollback.

Headlee Rollback - A term resulting from the 1978 passage of the Headlee Amendment to the Constitution of the State of Michigan. The Headlee Amendment requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a consequence, the local unit's millage rate is "rolled back" so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation.

Legacy Costs - Costs incurred by the City in prior years under different leadership. These costs consist primarily of obligations to pay health care costs for retirees.

Liabilities - Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

Long Term Debt - Debt with a maturity of more than one year.

Maturities - The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

Modified Accrual Basis of Accounting - Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b)

expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar obligations, which should be recognized when due.

Operating Deficit - An excess of expenditures over revenue for a certain time period such as one fiscal year. The City's fiscal year runs from July 1st – June 30th each year.

Ordinance - A law or rule made by an authority such as a city government.

Revenue - The amount of monies available for all of the City's functions.

Revenue Shortfall - Projected revenues are less than expected.

Structural Deficit – An underlying imbalance in government revenues and expenditures. When this situation exist, operating revenues do not support the cost of operations without one-time revenue sources and results in the current revenue structure (e.g., taxes, fees, and other sources), not being sufficient to maintain services at the current level.

Property Tax Chargeback - The amount of uncollected property taxes invoiced by the County Treasurer to the City for uncollected real property taxes at least two years delinquent.

Property Tax Rate - The percentage of the value of a property to be paid as a tax. It is also known as a millage rate or mill (which is also one-thousandth of a currency unit). To calculate the property tax, the City will multiply the taxable value of the property by the mill rate and then divide by 1,000. For example, a property with a taxable value of \$50,000 located in a City with a mill rate of 20 mills would have a property tax bill of \$1,000 per year.

SEV - Abbreviation for State Equalized Value which is one half of a property's true cash value.

Taxable Value - This is a value used as a base for levying property taxes. The increase to taxable value each year is limited to the lesser of the actual market increase, the rate of inflation as established by the inflation rate multiplier, or 5%, whichever is less. When property changes ownership, the value returns to 50% of true cash value.

Transition Advisory Board – A four-member board appointed by the governor under Public Act 436 of 2012 that is charged with monitoring the activities and decisions of the city; also referred to as the TAB.

Appendix A

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 2/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	3,377,581	3,140,380	2,235,509	3,262,969	3,140,380	3,260,000
600	CHARGES FOR SERVICES	4,738	0	326	326	0	0
664	INTEREST AND RENTS	0	0	535	735	0	1,000
671	OTHER REVENUE	0	53,417	10,912	10,912	0	0
699	OPERATING TRANSFERS IN	0	0	0	0	0	200,000
	TOTAL ESTIMATED REVENUES	3,382,319	3,193,797	2,247,282	3,274,942	3,140,380	3,461,000
APPROPRIATIONS							
701	PERSONAL SERVICES	24,348	81,115	29,373	30,260	76,475	96,579
726	SUPPLIES	56,891	165,000	57,377	165,000	180,000	120,000
800	OTHER SERVICES AND CHARGES	1,517,189	1,806,872	949,117	1,411,551	2,091,483	2,202,258
970	CAPITAL OUTLAY	306,839	1,871,556	692,545	776,060	887,000	1,195,241
999	APPROPRIATION (OPERATING) TRANSFER	453,275	471,100	0	471,100	471,100	471,000
	TOTAL APPROPRIATIONS	2,358,542	4,395,643	1,728,412	2,853,971	3,706,058	4,085,078
NET OF REVENUES/APPROPRIATIONS - FUND 202							
	BEGINNING FUND BALANCE	1,023,777	(1,201,846)	518,870	420,971	(565,678)	(624,078)
	ENDING FUND BALANCE	1,825,428	2,849,210	2,849,210	2,849,210	3,270,181	3,270,181
		2,849,205	1,647,364	3,368,080	3,270,181	2,704,503	2,646,103

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

3/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	1,134,924	954,205	870,024	1,371,436	954,205	1,000,000
664	INTEREST AND RENTS	0	0	0	0	0	500
699	OPERATING TRANSFERS IN	423,100	471,100	0	471,100	471,100	471,000
TOTAL ESTIMATED REVENUES		1,558,024	1,425,305	870,024	1,842,536	1,425,305	1,471,500
APPROPRIATIONS							
701	PERSONAL SERVICES	27,318	46,746	28,401	35,929	40,736	56,348
726	SUPPLIES	12,745	68,127	17,620	41,627	50,000	50,000
800	OTHER SERVICES AND CHARGES	569,497	569,292	328,652	492,371	694,220	1,190,300
970	CAPITAL OUTLAY	0	625,519	8,529	500,000	375,000	438,262
TOTAL APPROPRIATIONS		609,560	1,309,684	383,202	1,069,927	1,159,956	1,734,910
NET OF REVENUES/APPROPRIATIONS - FUND 203		948,464	115,621	486,822	772,609	265,349	(263,410)
BEGINNING FUND BALANCE		782,711	1,731,173	1,731,173	1,731,173	2,503,782	2,503,782
ENDING FUND BALANCE		1,731,175	1,846,794	2,217,995	2,503,782	2,769,131	2,240,372

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

4/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	263,016	220,850	273,589	259,487	211,824	288,516
664	INTEREST AND RENTS	15,220	9,000	10,865	10,900	5,000	10,200
TOTAL ESTIMATED REVENUES		278,236	229,850	284,454	270,387	216,824	298,716
APPROPRIATIONS							
701	PERSONAL SERVICES	140,145	108,552	78,023	109,413	111,456	158,511
726	SUPPLIES	8,342	13,156	7,822	13,156	12,818	14,480
800	OTHER SERVICES AND CHARGES	208,153	187,107	166,997	186,463	202,299	309,353
970	CAPITAL OUTLAY	0	328	327	328	227,549	439,640
TOTAL APPROPRIATIONS		356,640	309,143	253,169	309,360	554,122	921,984
NET OF REVENUES/APPROPRIATIONS - FUND 212		(78,404)	(79,293)	31,285	(38,973)	(337,298)	(623,268)
BEGINNING FUND BALANCE		1,072,466	994,066	994,066	994,066	955,093	955,093
ENDING FUND BALANCE		994,062	914,773	1,025,351	955,093	617,795	331,825

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

5/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	85	(250)	0	(250)	(250)	(250)
664	INTEREST AND RENTS	0	0	321	460	0	0
TOTAL ESTIMATED REVENUES		85	(250)	321	210	(250)	(250)
APPROPRIATIONS							
726	SUPPLIES	0	10,000	9,941	10,000	0	0
800	OTHER SERVICES AND CHARGES	43,675	183,527	114,471	151,616	194,996	384,556
TOTAL APPROPRIATIONS		43,675	193,527	124,412	161,616	194,996	384,556
NET OF REVENUES/APPROPRIATIONS - FUND 213		(43,590)	(193,777)	(124,091)	(161,406)	(195,246)	(384,806)
BEGINNING FUND BALANCE		589,802	546,212	546,212	546,212	384,806	384,806
ENDING FUND BALANCE		546,212	352,435	422,121	384,806	189,560	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

6/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	1,338,490	1,320,767	1,444,281	1,313,286	1,269,893	1,495,345
600	CHARGES FOR SERVICES	3,282,665	2,815,351	2,775,164	3,014,128	2,950,377	2,305,000
664	INTEREST AND RENTS	17,315	0	759	1,050	0	1,050
	TOTAL ESTIMATED REVENUES	4,638,470	4,136,118	4,220,204	4,328,464	4,220,270	3,801,395
APPROPRIATIONS							
701	PERSONAL SERVICES	83,825	241,381	28,244	61,376	241,366	72,594
726	SUPPLIES	4,220	5,465	3,479	5,465	4,240	4,290
800	OTHER SERVICES AND CHARGES	3,394,164	3,817,036	2,629,416	3,824,096	4,647,664	4,728,347
	TOTAL APPROPRIATIONS	3,482,209	4,063,882	2,661,139	3,890,937	4,893,270	4,805,231
NET OF REVENUES/APPROPRIATIONS - FUND 226							
		1,156,261	72,236	1,559,065	437,527	(673,000)	(1,003,836)
	BEGINNING FUND BALANCE	2,590,850	3,747,112	3,747,112	3,747,112	4,184,639	4,184,639
	ENDING FUND BALANCE	3,747,111	3,819,348	5,306,177	4,184,639	3,511,639	3,180,803

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 7/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
600	CHARGES FOR SERVICES	138,309	130,000	74,760	130,000	140,000	130,000
664	INTEREST AND RENTS	0	0	855	0	0	0
TOTAL ESTIMATED REVENUES		138,309	130,000	75,615	130,000	140,000	130,000
APPROPRIATIONS							
701	PERSONAL SERVICES	86,173	87,924	71,829	87,924	88,342	88,836
726	SUPPLIES	6,989	15,500	9,126	15,500	12,000	13,500
800	OTHER SERVICES AND CHARGES	8,026	32,847	22,269	32,847	21,571	84,888
970	CAPITAL OUTLAY	17,180	42,744	3,017	42,744	18,087	788,203
TOTAL APPROPRIATIONS		118,368	179,015	106,241	179,015	140,000	975,427
NET OF REVENUES/APPROPRIATIONS - FUND 231		19,941	(49,015)	(30,626)	(49,015)	0	(845,427)
BEGINNING FUND BALANCE		1,061,499	1,081,441	1,081,441	1,081,441	1,032,426	1,032,426
ENDING FUND BALANCE		1,081,440	1,032,426	1,050,815	1,032,426	1,032,426	186,999

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

8/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC.- BUDGET
ESTIMATED REVENUES							
401	TAXES	(149,980)	141,019	68,361	144,019	0	136,223
600	CHARGES FOR SERVICES	38,000	38,000	38,000	38,000	38,000	38,000
671	OTHER REVENUE	679,175	396,801	476,638	392,550	531,520	395,297
TOTAL ESTIMATED REVENUES		567,195	575,820	582,999	574,569	569,520	569,520
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	(1,724)	0	0	0	0	0
990	DEBT SERVICE	1,137,838	575,820	1,051,057	574,569	569,520	569,520
TOTAL APPROPRIATIONS		1,136,114	575,820	1,051,057	574,569	569,520	569,520
NET OF REVENUES/APPROPRIATIONS - FUND 239		(568,919)	0	(468,058)	0	0	0
BEGINNING FUND BALANCE		0	(568,919)	(568,919)	(568,919)	(568,919)	(568,919)
ENDING FUND BALANCE		(568,919)	(568,919)	(1,036,977)	(568,919)	(568,919)	(568,919)

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 9/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	1,194,793	1,048,093	1,288,439	1,200,456	1,075,697	1,165,455
671	OTHER REVENUE	206,082	171,210	100,000	100,000	321,835	519,948
699	OPERATING TRANSFERS IN	246,117	548,529	548,530	548,530	370,100	0
TOTAL ESTIMATED REVENUES		1,646,992	1,767,832	1,936,969	1,848,986	1,767,632	1,685,403
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	(2,811)	0	0	0	0	0
990	DEBT SERVICE	1,973,913	1,767,832	1,767,631	1,767,832	1,767,632	1,766,557
TOTAL APPROPRIATIONS		1,971,102	1,767,832	1,767,631	1,767,832	1,767,632	1,766,557
NET OF REVENUES/APPROPRIATIONS - FUND 240		(324,110)	0	169,338	81,154	0	(81,154)
BEGINNING FUND BALANCE		198,170	(125,941)	(125,941)	(125,941)	(44,787)	(44,787)
ENDING FUND BALANCE		(125,940)	(125,941)	43,397	(44,787)	(44,787)	(125,941)

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 10/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	390,661	349,256	391,211	391,211	370,100	0
TOTAL ESTIMATED REVENUES		390,661	349,256	391,211	391,211	370,100	0
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	221	0	0	0	0	0
999	APPROPRIATION (OPERATING) TRANSFE	246,117	349,256	548,530	548,530	370,100	0
TOTAL APPROPRIATIONS		246,338	349,256	548,530	548,530	370,100	0
NET OF REVENUES/APPROPRIATIONS - FUND 241		144,323	0	(157,319)	(157,319)	0	0
BEGINNING FUND BALANCE		12,995	157,319	157,319	157,319	0	0
ENDING FUND BALANCE		157,318	157,319	0	0	0	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

11/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	220,971	36,498	30,742	30,742	69,730	30,828
TOTAL ESTIMATED REVENUES		220,971	36,498	30,742	30,742	69,730	30,828
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	14,216	56,606	41,854	56,606	69,730	231,828
TOTAL APPROPRIATIONS		14,216	56,606	41,854	56,606	69,730	231,828
NET OF REVENUES/APPROPRIATIONS - FUND 243		206,755	(20,108)	(11,112)	(25,864)	0	(201,000)
BEGINNING FUND BALANCE		20,108	226,864	226,864	226,864	201,000	201,000
ENDING FUND BALANCE		226,863	206,756	215,752	201,000	201,000	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 12/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
450	LICENSES AND PERMITS	0	0	0	0	0	2,935,000
600	CHARGES FOR SERVICES	0	0	0	0	0	15,000
699	OPERATING TRANSFERS IN	0	0	0	0	0	40,000
TOTAL ESTIMATED REVENUES		0	0	0	0	0	2,990,000
APPROPRIATIONS							
726	SUPPLIES	0	0	0	0	0	52,900
800	OTHER SERVICES AND CHARGES	0	0	0	0	0	2,836,565
TOTAL APPROPRIATIONS		0	0	0	0	0	2,889,465
NET OF REVENUES/APPROPRIATIONS - FUND 249		0	0	0	0	0	100,535
BEGINNING FUND BALANCE		0	0	0	0	0	0
ENDING FUND BALANCE		0	0	0	0	0	100,535

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 13/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
501	FEDERAL GRANTS	281,858	40,000	89,822	89,822	40,000	0
TOTAL ESTIMATED REVENUES		281,858	40,000	89,822	89,822	40,000	0
APPROPRIATIONS							
701	PERSONAL SERVICES	9,223	0	0	0	0	0
726	SUPPLIES	2,291	0	0	0	0	0
800	OTHER SERVICES AND CHARGES	331,165	40,000	29,000	29,000	40,000	0
TOTAL APPROPRIATIONS		342,679	40,000	29,000	29,000	40,000	0
NET OF REVENUES/APPROPRIATIONS - FUND 263		(60,821)	0	60,822	60,822	0	0
BEGINNING FUND BALANCE		0	(60,822)	(60,822)	(60,822)	0	0
ENDING FUND BALANCE		(60,821)	(60,822)	0	0	0	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 14/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
655	FINES AND FORFEITS	34,982	0	45,212	45,212	40,000	40,000
664	INTEREST AND RENTS	0	0	160	100	0	0
TOTAL ESTIMATED REVENUES		34,982	0	45,372	45,312	40,000	40,000
APPROPRIATIONS							
726	SUPPLIES	470	0	0	0	3,000	0
800	OTHER SERVICES AND CHARGES	2,059	89,699	44,281	89,699	86,699	68,000
970	CAPITAL OUTLAY	23,242	0	0	0	0	0
TOTAL APPROPRIATIONS		25,771	89,699	44,281	89,699	89,699	68,000
NET OF REVENUES/APPROPRIATIONS - FUND 265		9,211	(89,699)	1,091	(44,387)	(49,699)	(28,000)
BEGINNING FUND BALANCE		265,807	275,019	275,019	275,019	230,632	230,632
ENDING FUND BALANCE		275,018	185,320	276,110	230,632	180,933	202,632

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 15/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	205,349	183,000	137,172	183,000	183,000	182,896
600	CHARGES FOR SERVICES	811,266	801,718	576,095	801,718	788,250	788,250
655	FINES AND FORFEITS	1,047,055	922,758	908,716	922,758	946,715	996,715
664	INTEREST AND RENTS	3,001	0	1,817	0	0	0
671	OTHER REVENUE	(4,411)	(6,910)	(4,825)	(6,910)	(6,910)	(6,910)
699	OPERATING TRANSFERS IN	424,486	880,000	733,333	795,854	1,047,033	958,312
	TOTAL ESTIMATED REVENUES	2,486,746	2,780,566	2,352,308	2,696,420	2,958,088	2,919,263
APPROPRIATIONS							
701	PERSONAL SERVICES	1,839,649	2,195,923	1,684,649	2,195,923	2,281,518	2,252,484
726	SUPPLIES	53,967	75,250	61,330	81,361	79,000	121,880
800	OTHER SERVICES AND CHARGES	470,113	443,393	397,479	437,280	524,070	471,399
970	CAPITAL OUTLAY	4,768	16,000	8,020	16,000	23,500	23,500
999	APPROPRIATION (OPERATING) TRANSFE	34,103	50,000	19,405	50,000	50,000	50,000
	TOTAL APPROPRIATIONS	2,402,600	2,780,566	2,170,883	2,780,564	2,958,088	2,919,263
NET OF REVENUES/APPROPRIATIONS - FUND 276							
	BEGINNING FUND BALANCE	84,146	0	181,425	(84,144)	0	0
	ENDING FUND BALANCE	84,146	84,144	84,144	84,144	0	0
			84,144	265,569	0	0	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 16/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES	STATE GRANTS	189,554	195,867	0	195,867	195,867	190,000
539							
TOTAL ESTIMATED REVENUES		189,554	195,867	0	195,867	195,867	190,000
APPROPRIATIONS	APPROPRIATION (OPERATING) TRANSFE	189,554	195,867	0	195,867	195,867	190,000
999							
TOTAL APPROPRIATIONS		189,554	195,867	0	195,867	195,867	190,000
NET OF REVENUES/APPROPRIATIONS - FUND 280		0	0	0	0	0	0
BEGINNING FUND BALANCE		0	0	0	0	0	0
ENDING FUND BALANCE		0	0	0	0	0	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 17/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	743,798	672,853	772,120	745,569	647,417	809,155
600	CHARGES FOR SERVICES	0	0	0	0	0	170,000
671	OTHER REVENUE	0	0	181,333	181,333	0	60,000
699	OPERATING TRANSFERS IN	0	0	0	0	0	1,700,000
TOTAL ESTIMATED REVENUES		743,798	672,853	953,453	926,902	647,417	2,739,155
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	3,823	0	0	0	0	0
970	CAPITAL OUTLAY	454,084	1,289,575	391,153	810,147	620,000	3,071,260
999	APPROPRIATION (OPERATING) TRANSFER	255,000	0	0	0	0	0
TOTAL APPROPRIATIONS		712,907	1,289,575	391,153	810,147	620,000	3,071,260
NET OF REVENUES/APPROPRIATIONS - FUND 445		30,891	(616,722)	562,300	116,755	27,417	(332,105)
BEGINNING FUND BALANCE		399,432	430,323	430,323	430,323	547,078	547,078
ENDING FUND BALANCE		430,323	(186,399)	992,623	547,078	574,495	214,973

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 18/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
450	LICENSES AND PERMITS	0	0	0	0	2,893,500	0
600	CHARGES FOR SERVICES	0	0	0	0	23,160	0
655	FINES AND FORFEITS	0	0	0	0	60,000	0
TOTAL ESTIMATED REVENUES		0	0	0	0	2,976,660	0
APPROPRIATIONS							
726	SUPPLIES	0	0	0	0	42,150	0
800	OTHER SERVICES AND CHARGES	0	0	0	0	2,934,508	0
TOTAL APPROPRIATIONS		0	0	0	0	2,976,658	0
NET OF REVENUES/APPROPRIATIONS - FUND 542		0	0	0	0	2	0
BEGINNING FUND BALANCE		0	0	0	0	0	0
ENDING FUND BALANCE		0	0	0	0	2	0

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

19/21

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	1,424	0	(815)	(815)	0	(1,000)
600	CHARGES FOR SERVICES	110,932	85,875	78,719	85,875	0	85,875
664	INTEREST AND RENTS	11,946	0	4,443	7,500	0	0
671	OTHER REVENUE	40,012	0	42,000	42,000	0	0
699	OPERATING TRANSFERS IN	255,000	0	0	0	0	0
	TOTAL ESTIMATED REVENUES	419,314	85,875	124,347	134,560	0	84,875
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	803,879	2,917,300	126,196	739,716	0	2,822,940
	TOTAL APPROPRIATIONS	803,879	2,917,300	126,196	739,716	0	2,822,940
NET OF REVENUES/APPROPRIATIONS - FUND 585							
	BEGINNING FUND BALANCE	(384,565)	(2,831,425)	(1,849)	(605,156)	0	(2,738,065)
	ENDING FUND BALANCE	15,138,758	14,734,194	14,734,194	14,734,194	14,129,038	14,129,038
		14,734,193	11,902,769	14,732,345	14,129,038	14,129,038	11,390,973

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 20/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
664	INTEREST AND RENTS	0	0	641	900	0	900
671	OTHER REVENUE	4,168,172	980,410	2,741,528	469,498	12,251,422	915,420
699	OPERATING TRANSFERS IN	212,640	0	0	0	0	0
	TOTAL ESTIMATED REVENUES	4,380,812	980,410	2,742,169	470,398	12,251,422	916,320
APPROPRIATIONS							
701	PERSONAL SERVICES	4,072,085	112,553	2,496,299	106,663	11,070,447	414,074
726	SUPPLIES	5	0	35	36	0	1,100
800	OTHER SERVICES AND CHARGES	608,574	1,291,748	(116,281)	(57,208)	1,275,898	825,619
	TOTAL APPROPRIATIONS	4,680,664	1,404,301	2,380,053	49,491	12,346,345	1,240,793
	NET OF REVENUES/APPROPRIATIONS - FUND 659	(299,852)	(423,891)	362,116	420,907	(94,923)	(324,473)
	BEGINNING FUND BALANCE	2,583,897	2,284,048	2,284,048	2,284,048	2,704,955	2,704,955
	ENDING FUND BALANCE	2,284,045	1,860,157	2,646,164	2,704,955	2,610,032	2,380,482

APPENDIX A, BUDGET SUMMARY, 2015-16 FISCAL YEAR

Page: 21/21

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 ADOPTED BUDGET	2015-16 MAYOR REC. BUDGET
ESTIMATED REVENUES							
664	INTEREST AND RENTS	0	0	1,069	1,400	0	1,400
671	OTHER REVENUE	519,285	645,465	112,683	122,758	645,064	476,961
	TOTAL ESTIMATED REVENUES	519,285	645,465	113,752	124,158	645,064	478,361
APPROPRIATIONS							
701	PERSONAL SERVICES	487,302	645,465	471,927	701,149	640,464	476,961
800	OTHER SERVICES AND CHARGES	(404,335)	0	(110,353)	(110,353)	4,600	4,600
	TOTAL APPROPRIATIONS	82,967	645,465	361,574	590,796	645,064	481,561
NET OF REVENUES/APPROPRIATIONS - FUND 677		436,318	0	(247,822)	(466,638)	0	(3,200)
BEGINNING FUND BALANCE		33,519	469,838	469,838	469,838	3,200	3,200
ENDING FUND BALANCE		469,837	469,838	222,016	3,200	3,200	0
ESTIMATED REVENUES - ALL FUNDS		53,925,958	48,050,338	44,089,488	50,178,024	60,359,966	52,867,899
APPROPRIATIONS - ALL FUNDS		47,369,726	53,731,244	37,706,829	46,487,308	61,983,224	61,233,841
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS		6,556,232	(5,680,906)	6,382,659	3,690,716	(1,623,258)	(8,365,942)
BEGINNING FUND BALANCE - ALL FUNDS		27,430,550	33,986,798	33,986,798	33,986,798	37,677,514	37,677,514
ENDING FUND BALANCE - ALL FUNDS		33,986,782	28,305,892	40,369,457	37,677,514	36,054,256	29,311,572

Appendix B

Ordinance No. 2xxx

An Ordinance to appropriate the sums of money necessary to meet the expenditures set forth in the budget recommended for the operation of the City of Pontiac, Michigan; to defray the debts, expenditures, and liabilities of said City for the fiscal year beginning the first day of July, 2015.

Whereas, the proposed General Appropriations Act is required to be effective July 1, 2015 so the City can legally operate.

The City of Pontiac Ordains:

Section 1. Title.

This ordinance shall be known as the City of Pontiac 2015-2016 General Appropriations Act.

Section 2. Public Hearing on the Budget.

Pursuant to MCLA 141.412 and .413, notice of a public hearing on the proposed budget was published in The Oakland Press, a newspaper of general circulation on Saturday, June 13, 2015 and a public hearing on the proposed budget was held on Thursday, June 18, 2015.

Section 3. Millage Levy, Administration Fee, and Penalties.

The City Council for the City of Pontiac shall cause to be levied and collected the general property tax on all real and personal property within the City upon the current tax roll an allocated millage of 11.2737 operating; 1.4091 capital improvement; 2.8183 sanitation; .5000 senior services. The City Treasurer is hereby authorized to impose a one percent (1%) property tax administration fee for all property taxes due, and a late penalty charge when applicable, in conformance with Section 44 of Public Act 206 of 1893.

Section 4. Adoption of budget by Function.

The City Council of the City of Pontiac adopts the 2015-2016 fiscal year budgets for the various funds by function. City officials responsible for the expenditures authorized in the budget may expend City funds up to, but not to exceed, the total appropriation authorized for each function.

Section 5. Payment of Bills.

Pursuant to the Local Financial Stability and Choice Act and the Accounting Procedures Manual for Local Governments in Michigan, all claims (bills) against the City shall be, approved by the Finance Director of the City of Pontiac prior to being paid.

Section 6: Estimated Revenues and Expenditures--Estimated total revenues and expenditures, including transfers in and out and other sources, for the various funds of the City of Pontiac beginning July 1, 2015 are:

<u>Fund Number</u>	<u>Fund</u>	<u>Revenues/Other</u>	<u>Expenditures/Other</u>
101	General	\$ 31,061,813.00	\$ 32,075,468.00
202	Major Street	\$ 3,461,000.00	\$ 4,085,078.00
203	Local Street	\$ 1,471,500.00	\$ 1,734,910.00
212	Senior Activities	\$ 298,716.00	\$ 921,984.00
213	Chapter 20 Drain	\$ (250.00)	\$ 384,556.00
226	Sanitation Fund	\$ 3,801,395.00	\$ 4,805,231.00
231	Cable	\$ 130,000.00	\$ 975,427.00
239	TIFA District 2	\$ 569,520.00	\$ 569,520.00
240	TIFA District 3	\$ 1,685,403.00	\$ 1,766,557.00
241	TIFA District 4	\$ -	\$ -
243	Brownfield Redevelopment Authority	\$ 30,828.00	\$ 231,828.00
249	Building Department	\$ 2,990,000.00	\$ 2,889,465.00
263	HOME Buyers Assistance	\$ -	\$ -
265	Drug Enforcement	\$ 40,000.00	\$ 68,000.00
276	District Court	\$ 2,919,263.00	\$ 2,919,263.00
280	Public Act 48	\$ 190,000.00	\$ 190,000.00
445	Capital Improvement	\$ 2,739,155.00	\$ 3,071,260.00
542	Building Inspection	\$ -	\$ -
585	Parking	\$ 84,875.00	\$ 2,822,940.00
659	Insurance	\$ 916,320.00	\$ 1,240,793.00
677	Self-Insurance Wk Comp	\$ 478,361.00	\$ 481,561.00

with expenditure authorization by function as herein provided:

General Fund

ESTIMATED REVENUES

Taxes	18,149,668
Licenses and Permits	575,000
State Grants	9,757,084
Federal Grants	0
Charges for Services	411,260
Fines and Forfeits	156,000
Interest and Rents	145,525
Other Revenue	<u>1,627,276</u>

TOTAL ESTIMATED REVENUES 30,821,813

Transfers In and Other Uses 240,000

APPROPRIATIONS

General Government	4,185,654
Public Safety	18,625,855
Public Works	1,606,250
Community and Economic Development	2,359,292
Recreation and Culture	358,182
Other Functions	<u>2,041,923</u>

TOTAL APPROPRIATIONS 29,177,156

Transfers Out and Other Uses 2,898,312

General Fund		NET OF REVENUES/APPROPRIATIONS	(1,013,655)
		Estimated Beginning Fund Balance	8,144,389
		Estimated Ending Fund Balance	7,130,734
 <u>Major Street Fund</u>			
ESTIMATED REVENUES			
	State Grants		3,460,000
	Interest and Rents		<u>1,000</u>
		TOTAL ESTIMATED REVENUES	3,461,000
	Transfers In and Other Sources		200,000
APPROPRIATIONS			
	Public Works		<u>3,614,078</u>
		TOTAL APPROPRIATIONS	3,614,078
	Transfers Out and Other Uses		471,000
 Major Street Fund		NET OF REVENUES/APPROPRIATIONS	(624,078)
		Estimated Beginning Fund Balance	3,270,181
		Estimated Ending Fund Balance	2,646,103
 <u>Local Street Fund</u>			
ESTIMATED REVENUES			
	State Grants		1,000,000
	Interest and Rents		<u>500</u>
		TOTAL ESTIMATED REVENUES	1,000,500
	Transfers In and Other Sources		471,000
APPROPRIATIONS			
	Public Works		<u>1,734,910</u>
		TOTAL APPROPRIATIONS	1,734,910
	Transfers Out and Other Uses		0
 Local Street Fund		NET OF REVENUES/APPROPRIATIONS	(263,410)
		Estimated Beginning Fund Balance	2,503,782
		Estimated Ending Fund Balance	2,240,372
 <u>Senior Activities</u>			
ESTIMATED REVENUES			
	Taxes		288,516
	Interest and Rents		<u>10,200</u>
		TOTAL ESTIMATED REVENUES	298,716
	Transfers In and Other Sources		0

APPROPRIATIONS

Recreation and Culture		921,984
	TOTAL APPROPRIATIONS	921,984
Transfers Out and Other Uses		0

Senior Activities Fund	NET OF REVENUES/APPROPRIATIONS	(623,268)
	Estimated Beginning Fund Balance	955,093
	Estimated Ending Fund Balance	331,825

Chapter 20 Drain Fund

ESTIMATED REVENUES

Taxes		(250)
	TOTAL ESTIMATED REVENUES	(250)
Transfers In and Other Sources		0

APPROPRIATIONS

Public Works		384,556
	TOTAL APPROPRIATIONS	384,556
Transfers Out and Other Uses		0

Chapter 20 Drain Fund	NET OF REVENUES/APPROPRIATIONS	(384,806)
	Estimated Beginning Fund Balance	384,806
	Estimated Ending Fund Balance	0

Sanitation Fund

ESTIMATED REVENUES

Taxes		1,495,345
Charges for Services		2,305,000
Interest and Rents		1,050
	TOTAL ESTIMATED REVENUES	3,801,395
Transfers In and Other Sources		0

APPROPRIATIONS

Public Works		4,805,231
	TOTAL APPROPRIATIONS	4,805,231
Transfers Out and Other Uses		0

Sanitation Fund	NET OF REVENUES/APPROPRIATIONS	(1,003,836)
	Estimated Beginning Fund Balance	4,184,639
	Estimated Ending Fund Balance	3,180,803

Cable Fund**ESTIMATED REVENUES**

Charges for Services		<u>130,000</u>
	TOTAL ESTIMATED REVENUES	130,000
Transfers In and Other Sources		0

APPROPRIATIONS

General Government		<u>975,427</u>
	TOTAL APPROPRIATIONS	975,427
Transfers Out and Other Uses		0

	NET OF	
Cable Fund	REVENUES/APPROPRIATIONS	(845,427)
	Estimated Beginning Fund	
	Balance	1,032,426
	Estimated Ending Fund Balance	186,999

Tax Increment Financing Authority
District 2**ESTIMATED REVENUES**

Taxes		136,223
Charges for Services		38,000
Other Revenue		<u>395,297</u>
	TOTAL ESTIMATED REVENUES	569,520
Transfers In and Other Sources		0

APPROPRIATIONS

Debt Service		<u>569,520</u>
	TOTAL APPROPRIATIONS	569,520
Transfers Out and Other Uses		0

	NET OF	
Tax Increment Financing District 2 Fund	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund	
	Balance	(568,919)
	Estimated Ending Fund Balance	(568,919)

Tax Increment Financing Authority
District 3**ESTIMATED REVENUES**

Taxes		1,165,455
Other Revenue		<u>519,948</u>
	TOTAL ESTIMATED REVENUES	1,685,403
Transfers In and Other Sources		0

APPROPRIATIONS

Debt Service		<u>1,766,557</u>
	TOTAL APPROPRIATIONS	1,766,557
Transfers Out and Other Uses		0

	NET OF	
Tax Increment Financing District 3 Fund	REVENUES/APPROPRIATIONS	(81,154)
	Estimated Beginning Fund Balance	(44,787)
	Estimated Ending Fund Balance	(125,941)

**Tax Increment Financing Authority
District 4**

ESTIMATED REVENUES		
Taxes		0
	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		0
APPROPRIATIONS		
Community and Economic Development		0
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		0
	NET OF	
Tax Increment Financing District 4 Fund	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Brownfield Redevelopment Authority

ESTIMATED REVENUES		
Taxes		30,828
	TOTAL ESTIMATED REVENUES	30,828
Transfers In and Other Sources		0
APPROPRIATIONS		
Community and Economic Development		231,828
	TOTAL APPROPRIATIONS	231,828
Transfers Out and Other Uses		0
	NET OF	
Brownfield Redevelopment Authority Fund	REVENUES/APPROPRIATIONS	(201,000)
	Estimated Beginning Fund Balance	201,000
	Estimated Ending Fund Balance	0

Building Department Fund

ESTIMATED REVENUES		
Licenses and Permits		2,935,000
Charges for Services		15,000
Fines and Forfeits		0
	TOTAL ESTIMATED REVENUES	2,950,000
Transfers In and Other Sources		40,000

APPROPRIATIONS

Public Safety		2,889,465
	TOTAL APPROPRIATIONS	2,889,465
Transfers Out and Other Uses		0

	NET OF	
Building Department Fund	REVENUES/APPROPRIATIONS	100,535
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	100,535

HOME Investment Partnerships Grant**ESTIMATED REVENUES**

Federal Grants		0
	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		0

APPROPRIATIONS

Community and Economic Development		0
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		0

HOME Investment Partnerships Grant Fund	NET OF	
	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Drug Enforcement Fund**ESTIMATED REVENUES**

Fines and Forfeits		40,000
	TOTAL ESTIMATED REVENUES	40,000
Transfers In and Other Sources		0

APPROPRIATIONS

Public Safety		68,000
	TOTAL APPROPRIATIONS	68,000
Transfers Out and Other Uses		0

	NET OF	
Drug Enforcement Fund	REVENUES/APPROPRIATIONS	(28,000)
	Estimated Beginning Fund Balance	230,632
	Estimated Ending Fund Balance	202,632

District Court Fund**ESTIMATED REVENUES**

State Grants	182,896
Charges for Services	788,250
Fines and Forfeits	996,715
Other Revenue	<u>(6,910)</u>
TOTAL ESTIMATED REVENUES	1,960,951
Transfers In and Other Sources	958,312

APPROPRIATIONS

General Government	<u>2,919,263</u>
TOTAL APPROPRIATIONS	2,919,263
Transfers Out and Other Uses	0

	NET OF	
District Court Fund	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

PA 48 Telecommunications Fund**ESTIMATED REVENUES**

State Grants	<u>190,000</u>
TOTAL ESTIMATED REVENUES	190,000
Transfers In and Other Sources	0

APPROPRIATIONS

Public Works	<u>0</u>
TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses	190,000

	NET OF	
PA 48 Telecommunications Fund	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Capital Improvement**ESTIMATED REVENUES**

Taxes	809,155
Charges for Services	170,000
Other Revenue	<u>60,000</u>
TOTAL ESTIMATED REVENUES	1,039,155
Transfers In and Other Sources	1,700,000

APPROPRIATIONS

General Government	316,000
Public Safety	125,000
Public Works	<u>2,630,260</u>

TOTAL APPROPRIATIONS	3,071,260
Transfers Out and Other Uses	0

Capital Improvement Fund	NET OF	
	REVENUES/APPROPRIATIONS	(332,105)
	Estimated Beginning Fund Balance	547,078
	Estimated Ending Fund Balance	214,973

Building Inspection Fund

ESTIMATED REVENUES	
Licenses and Permits	0
Charges for Services	0
Fines and Forfeits	<u>0</u>
TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources	0

APPROPRIATIONS	
Public Safety	<u>0</u>
TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses	0

Building Inspection Fund	NET OF	
	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Net Assets	0
	Estimated Ending Net Assets	0

Parking Fund

ESTIMATED REVENUES	
Taxes	(1,000)
Charges for Services	85,875
Fines and Forfeits	<u>0</u>
TOTAL ESTIMATED REVENUES	84,875
Transfers In and Other Sources	0

APPROPRIATIONS	
Public Works	45,000
Recreation and Culture	<u>2,777,940</u>
TOTAL APPROPRIATIONS	2,822,940
Transfers Out and Other Uses	0

Building Department Fund	NET OF	
	REVENUES/APPROPRIATIONS	(2,738,065)
	Estimated Beginning Fund Balance	14,129,038
	Estimated Ending Fund Balance	11,390,973

Insurance Fund**ESTIMATED REVENUES**

Interest and Rents	900
Other Revenue	<u>915,420</u>

TOTAL ESTIMATED REVENUES	916,320
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Transfers In and Other Sources	0
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APPROPRIATIONS

General Government	47,117
Other Functions	<u>1,193,676</u>

TOTAL APPROPRIATIONS	1,240,793
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Transfers Out and Other Uses	0
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Insurance Fund	NET OF	
	REVENUES/APPROPRIATIONS	(324,473)
	Estimated Beginning Net Assets	2,704,955
	Estimated Ending Net Assets	2,380,482

**Self-Insurance Workers'
Compensation Fund****ESTIMATED REVENUES**

Interest and Rents	1,400
Other Revenue	<u>476,961</u>

TOTAL ESTIMATED REVENUES	478,361
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Transfers In and Other Sources	0
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APPROPRIATIONS

Other Functions	<u>481,561</u>
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TOTAL APPROPRIATIONS	481,561
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Transfers Out and Other Uses	0
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Self-Insurance Worker's Compensation Fund	NET OF	
	REVENUES/APPROPRIATIONS	(3,200)
	Estimated Beginning Net Assets	3,200
	Estimated Ending Net Assets	0

Section 7. Specific Appropriations.

There are no specific appropriations contained in the budget.

Section 8. Periodic Financial Reports.

The Finance Director shall provide the City Administrator, Mayor, and City Council financial reports on a monthly basis.

Section 9. Budget Monitoring and Amending.

Whenever it appears to the Mayor that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation upon which appropriations from such fund were based, the Mayor shall present to the Finance Director recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend accounts within functions in a fund and among functions in a fund during the fiscal year provided that such amendments do not change the total revenues or total expenditures for the fund as approved by the City Council. If the total revenues or the total expenditures, including transfers in and out and other sources and uses within a single fund must be changed, then the Mayor and Finance Director shall present such amendment to the City Council for approval.

Section 10. Severability.

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause, or provision declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

Section 11. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 12. Publication.

The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 13. Emergency Declaration and Effective Date.

This Ordinance is declared an emergency to allow the City to legally spend money after July 1, 2015 and shall be effective immediately upon adoption and approval by the Transition Advisory Board.

Appendix C

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page 1/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	17,155,854	15,825,476	16,826,686	17,575,476	18,149,668	18,424,668
450	LICENSES AND PERMITS	3,166,084	3,441,500	2,057,242	3,441,500	575,000	575,000
501	FEDERAL GRANTS	5,391	0	0	0	0	0
539	STATE GRANTS	9,193,167	9,451,747	6,344,430	9,489,969	9,757,084	9,632,084
580	CONTRIBUTION FROM LOCAL UNITS	5,246	0	0	0	0	0
600	CHARGES FOR SERVICES	481,482	506,369	459,439	482,466	411,260	401,260
655	FINES AND FORFEITS	1,180	60,000	0	60,000	156,000	156,000
664	INTEREST AND RENTS	92,311	170,201	167,138	175,000	145,525	236,616
671	OTHER REVENUE	1,119,309	1,099,001	1,142,688	1,327,345	1,627,276	1,431,760
699	OPERATING TRANSFERS IN	828,323	250,782	30,821	250,782	240,000	240,000
TOTAL ESTIMATED REVENUES		32,048,347	30,805,076	27,028,444	32,802,538	31,061,813	31,097,388
APPROPRIATIONS							
701	PERSONAL SERVICES	2,404,788	4,321,738	1,196,782	3,887,969	4,509,440	4,273,920
726	SUPPLIES	157,868	175,734	137,069	206,616	251,255	225,755
800	OTHER SERVICES AND CHARGES	24,804,799	25,777,391	21,470,858	24,886,026	24,310,461	24,855,994
970	CAPITAL OUTLAY	0	13,200	0	13,200	106,000	0
999	APPROPRIATION (OPERATING) TRANSFE	424,486	880,000	733,333	795,854	2,898,312	2,493,514
TOTAL APPROPRIATIONS		27,791,941	31,168,063	23,538,042	29,789,665	32,075,468	31,849,183
NET OF REVENUES/APPROPRIATIONS - FUND 101		4,256,406	(362,987)	3,490,402	3,012,873	(1,013,655)	(751,795)
BEGINNING FUND BALANCE		875,107	5,131,516	5,131,516	5,131,516	8,144,389	7,130,734
ENDING FUND BALANCE		5,131,513	4,768,529	8,621,918	8,144,389	7,130,734	6,378,939

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 2/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 THRU 04/30/15 ACTIVITY	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	3,377,581	3,140,380	2,235,509	3,262,969	3,260,000	3,260,000
600	CHARGES FOR SERVICES	4,738	0	326	326	0	0
664	INTEREST AND RENTS	0	0	535	735	1,000	1,000
671	OTHER REVENUE	0	53,417	10,912	10,912	0	0
699	OPERATING TRANSFERS IN	0	0	0	0	200,000	0
TOTAL	ESTIMATED REVENUES	3,382,319	3,193,797	2,247,282	3,274,942	3,461,000	3,261,000
APPROPRIATIONS							
701	PERSONAL SERVICES	24,348	81,115	29,373	30,260	96,579	96,649
726	SUPPLIES	56,891	165,000	57,377	165,000	120,000	120,000
800	OTHER SERVICES AND CHARGES	1,517,189	1,806,872	949,117	1,411,551	2,202,258	2,009,700
970	CAPITAL OUTLAY	306,839	1,871,536	692,545	776,060	1,195,241	2,270,306
999	APPROPRIATION (OPERATING) TRANSFER	453,275	471,100	0	471,100	471,000	471,000
TOTAL	APPROPRIATIONS	2,358,542	4,395,643	1,728,412	2,853,971	4,085,078	4,967,655
NET OF REVENUES/APPROPRIATIONS - FUND 202							
	BEGINNING FUND BALANCE	1,023,777	(1,201,846)	518,870	420,971	(624,078)	(1,706,655)
	ENDING FUND BALANCE	1,825,428	2,849,210	2,849,210	2,849,210	3,270,181	2,646,103
		2,849,205	1,647,364	3,368,080	3,270,181	2,646,103	939,448

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 3/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	1,134,924	954,205	870,024	1,371,436	1,000,000	1,000,000
664	INTEREST AND RENTS	0	0	0	0	500	500
699	OPERATING TRANSFERS IN	423,100	471,100	0	471,100	471,000	471,000
	TOTAL ESTIMATED REVENUES	1,558,024	1,425,305	870,024	1,842,536	1,471,500	1,471,500
APPROPRIATIONS							
701	PERSONAL SERVICES	27,318	46,746	28,401	35,929	56,348	56,573
726	SUPPLIES	12,745	68,127	17,620	41,627	50,000	50,000
800	OTHER SERVICES AND CHARGES	569,497	569,292	328,652	492,371	1,190,300	1,375,800
970	CAPITAL OUTLAY	0	625,519	8,529	500,000	438,262	1,535,872
	TOTAL APPROPRIATIONS	609,560	1,309,684	383,202	1,069,927	1,734,910	3,018,245
NET OF REVENUES/APPROPRIATIONS - FUND 203							
		948,464	115,621	486,822	772,609	(263,410)	(1,546,745)
	BEGINNING FUND BALANCE	782,711	1,731,173	1,731,173	1,731,173	2,503,782	2,240,372
	ENDING FUND BALANCE	1,731,175	1,846,794	2,217,995	2,503,782	2,240,372	693,627

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

4/17

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	263,016	220,850	273,589	259,487	288,516	288,516
664	INTEREST AND RENTS	15,220	9,000	10,865	10,900	10,200	9,600
TOTAL ESTIMATED REVENUES		278,236	229,850	284,454	270,387	298,716	298,116
APPROPRIATIONS							
701	PERSONAL SERVICES	140,145	108,552	78,023	109,413	158,511	158,526
726	SUPPLIES	8,342	13,156	7,822	13,156	14,480	10,480
800	OTHER SERVICES AND CHARGES	208,153	187,107	166,997	186,463	309,353	192,194
970	CAPITAL OUTLAY	0	328	327	328	439,640	0
TOTAL APPROPRIATIONS		356,640	309,143	253,169	309,360	921,984	361,200
NET OF REVENUES/APPROPRIATIONS - FUND 212		(78,404)	(79,293)	31,285	(38,973)	(623,268)	(63,084)
BEGINNING FUND BALANCE		1,072,466	994,066	994,066	994,066	955,093	331,825
ENDING FUND BALANCE		994,062	914,773	1,025,351	955,093	331,825	268,741

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page 5/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	1,338,490	1,320,767	1,444,281	1,313,286	1,495,345	1,545,345
600	CHARGES FOR SERVICES	3,282,665	2,815,351	2,775,164	3,014,128	2,305,000	2,305,000
664	INTEREST AND RENTS	17,315	0	759	1,050	1,050	1,050
TOTAL ESTIMATED REVENUES		4,638,470	4,136,118	4,220,204	4,328,464	3,801,395	3,851,395
APPROPRIATIONS							
701	PERSONAL SERVICES	83,825	241,381	28,244	61,376	72,594	72,669
726	SUPPLIES	4,220	5,465	3,479	5,465	4,290	3,261
800	OTHER SERVICES AND CHARGES	3,394,164	3,817,036	2,629,416	3,824,096	4,728,347	3,971,879
TOTAL APPROPRIATIONS		3,482,209	4,063,882	2,661,139	3,890,937	4,805,231	4,047,809
NET OF REVENUES/APPROPRIATIONS - FUND 226		1,156,261	72,236	1,559,065	437,527	(1,003,836)	(196,414)
BEGINNING FUND BALANCE		2,590,850	3,747,112	3,747,112	3,747,112	4,184,639	3,180,803
ENDING FUND BALANCE		3,747,111	3,819,348	5,306,177	4,184,639	3,180,803	2,984,389

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 6/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
600	CHARGES FOR SERVICES	138,309	130,000	74,760	130,000	130,000	130,000
664	INTEREST AND RENTS	0	0	855	0	0	0
	TOTAL ESTIMATED REVENUES	138,309	130,000	75,615	130,000	130,000	130,000
APPROPRIATIONS							
701	PERSONAL SERVICES	86,173	87,924	71,829	87,924	88,836	88,836
726	SUPPLIES	6,989	15,500	9,126	15,500	13,500	21,208
800	OTHER SERVICES AND CHARGES	8,026	32,847	22,269	32,847	84,888	19,956
970	CAPITAL OUTLAY	17,180	42,744	3,017	42,744	788,203	0
	TOTAL APPROPRIATIONS	118,368	179,015	106,241	179,015	975,427	130,000
NET OF REVENUES/APPROPRIATIONS - FUND 231							
	BEGINNING FUND BALANCE	19,941	(49,015)	(30,626)	(49,015)	(845,427)	0
	ENDING FUND BALANCE	1,061,499	1,081,441	1,081,441	1,081,441	1,032,426	186,999
		1,081,440	1,032,426	1,050,815	1,032,426	186,999	186,999

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 7/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	(149,980)	141,019	68,361	144,019	136,223	136,223
600	CHARGES FOR SERVICES	38,000	38,000	38,000	38,000	38,000	38,000
671	OTHER REVENUE	679,175	396,801	476,638	392,550	395,297	399,347
TOTAL ESTIMATED REVENUES		567,195	575,820	582,999	574,569	569,520	573,570
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	(1,724)	0	0	0	0	0
990	DEBT SERVICE	1,137,838	575,820	1,051,057	574,569	569,520	573,570
TOTAL APPROPRIATIONS		1,136,114	575,820	1,051,057	574,569	569,520	573,570
NET OF REVENUES/APPROPRIATIONS - FUND 239		(568,919)	0	(468,058)	0	0	0
BEGINNING FUND BALANCE		0	(568,919)	(568,919)	(568,919)	(568,919)	(568,919)
ENDING FUND BALANCE		(568,919)	(568,919)	(1,036,977)	(568,919)	(568,919)	(568,919)

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 8/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	1,194,793	1,048,093	1,288,439	1,200,456	1,165,455	1,165,455
671	OTHER REVENUE	206,082	171,210	100,000	100,000	519,948	603,189
699	OPERATING TRANSFERS IN	246,117	548,529	548,530	548,530	0	0
TOTAL ESTIMATED REVENUES		1,646,992	1,767,832	1,936,969	1,848,986	1,685,403	1,768,644
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	(2,811)	0	0	0	0	0
990	DEBT SERVICE	1,973,913	1,767,832	1,767,631	1,767,832	1,766,557	1,768,644
TOTAL APPROPRIATIONS		1,971,102	1,767,832	1,767,631	1,767,832	1,766,557	1,768,644
NET OF REVENUES/APPROPRIATIONS - FUND 240		(324,110)	0	169,338	81,154	(81,154)	0
BEGINNING FUND BALANCE		198,170	(125,941)	(125,941)	(125,941)	(44,787)	(125,941)
ENDING FUND BALANCE		(125,940)	(125,941)	43,397	(44,787)	(125,941)	(125,941)

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

9/17

Page:

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	220,971	36,498	30,742	30,742	30,828	31,724
TOTAL ESTIMATED REVENUES		220,971	36,498	30,742	30,742	30,828	31,724
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	14,216	56,606	41,854	56,606	231,828	31,724
TOTAL APPROPRIATIONS		14,216	56,606	41,854	56,606	231,828	31,724
NET OF REVENUES/APPROPRIATIONS - FUND 243		206,755	(20,108)	(11,112)	(25,864)	(201,000)	0
BEGINNING FUND BALANCE		20,108	226,864	226,864	226,864	201,000	0
ENDING FUND BALANCE		226,863	206,756	215,752	201,000	0	0

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 10/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
450	LICENSES AND PERMITS	0	0	0	0	2,935,000	2,910,000
600	CHARGES FOR SERVICES	0	0	0	0	15,000	15,000
699	OPERATING TRANSFERS IN	0	0	0	0	40,000	65,000
	TOTAL ESTIMATED REVENUES	0	0	0	0	2,990,000	2,990,000
APPROPRIATIONS							
726	SUPPLIES	0	0	0	0	52,900	39,900
800	OTHER SERVICES AND CHARGES	0	0	0	0	2,836,565	2,874,242
	TOTAL APPROPRIATIONS	0	0	0	0	2,889,465	2,914,142
	NET OF REVENUES/APPROPRIATIONS - FUND 249	0	0	0	0	100,535	75,858
	BEGINNING FUND BALANCE	0	0	0	0	0	100,535
	ENDING FUND BALANCE	0	0	0	0	100,535	176,393

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page 11/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
655	FINES AND FORFEITS	34,982	0	45,212	45,212	40,000	40,000
664	INTEREST AND RENTS	0	0	160	100	0	0
	TOTAL ESTIMATED REVENUES	34,982	0	45,372	45,312	40,000	40,000
APPROPRIATIONS							
726	SUPPLIES	470	0	0	0	0	0
800	OTHER SERVICES AND CHARGES	2,059	89,699	44,281	89,699	68,000	68,000
970	CAPITAL OUTLAY	23,242	0	0	0	0	0
	TOTAL APPROPRIATIONS	25,771	89,699	44,281	89,699	68,000	68,000
NET OF REVENUES/APPROPRIATIONS - FUND 265							
		9,211	(89,699)	1,091	(44,387)	(28,000)	(28,000)
	BEGINNING FUND BALANCE	265,807	275,019	275,019	275,019	230,632	202,632
	ENDING FUND BALANCE	275,018	185,320	276,110	230,632	202,632	174,632

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 12/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	205,349	183,000	137,172	183,000	182,896	182,896
600	CHARGES FOR SERVICES	811,266	801,718	576,095	801,718	788,250	783,250
655	FINES AND FORFEITS	1,047,055	922,758	908,716	922,758	996,715	959,000
664	INTEREST AND RENTS	3,001	0	1,817	0	0	0
671	OTHER REVENUE	(4,411)	(6,910)	(4,825)	(6,910)	(6,910)	(6,910)
699	OPERATING TRANSFERS IN	424,486	880,000	733,333	795,854	958,312	778,514
	TOTAL ESTIMATED REVENUES	2,486,746	2,780,566	2,352,308	2,696,420	2,919,263	2,696,750
APPROPRIATIONS							
701	PERSONAL SERVICES	1,839,649	2,195,923	1,684,649	2,195,923	2,252,484	2,037,296
726	SUPPLIES	53,967	75,250	61,330	81,361	121,880	84,080
800	OTHER SERVICES AND CHARGES	470,113	443,393	397,479	437,280	471,399	501,374
970	CAPITAL OUTLAY	4,768	16,000	8,020	16,000	23,500	24,000
999	APPROPRIATION (OPERATING) TRANSFER	34,103	50,000	19,405	50,000	50,000	50,000
	TOTAL APPROPRIATIONS	2,402,600	2,780,566	2,170,883	2,780,564	2,919,263	2,696,750
NET OF REVENUES/APPROPRIATIONS - FUND 276							
	BEGINNING FUND BALANCE	84,146	0	181,425	(84,144)	0	0
	ENDING FUND BALANCE	0	84,144	84,144	84,144	0	0
		84,146	84,144	265,569	0	0	0

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page:

13/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
539	STATE GRANTS	189,554	195,867	0	195,867	190,000	190,000
TOTAL ESTIMATED REVENUES		189,554	195,867	0	195,867	190,000	190,000
APPROPRIATIONS							
999	APPROPRIATION (OPERATING) TRANSFER	189,554	195,867	0	195,867	190,000	190,000
TOTAL APPROPRIATIONS		189,554	195,867	0	195,867	190,000	190,000
NET OF REVENUES/APPROPRIATIONS - FUND 280		0	0	0	0	0	0
BEGINNING FUND BALANCE		0	0	0	0	0	0
ENDING FUND BALANCE		0	0	0	0	0	0

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 14/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	743,798	672,853	772,120	745,569	809,155	809,155
600	CHARGES FOR SERVICES	0	0	0	0	170,000	40,000
671	OTHER REVENUE	0	0	181,333	181,333	60,000	0
699	OPERATING TRANSFERS IN	0	0	0	0	1,700,000	1,650,000
TOTAL ESTIMATED REVENUES		743,798	672,853	953,453	926,902	2,739,155	2,499,155
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	3,823	0	0	0	0	0
970	CAPITAL OUTLAY	454,084	1,289,575	391,153	810,147	3,071,260	2,336,200
999	APPROPRIATION (OPERATING) TRANSFE	255,000	0	0	0	0	0
TOTAL APPROPRIATIONS		712,907	1,289,575	391,153	810,147	3,071,260	2,336,200
NET OF REVENUES/APPROPRIATIONS - FUND 445		30,891	(616,722)	562,300	116,755	(332,105)	162,955
BEGINNING FUND BALANCE		399,432	430,323	430,323	430,323	547,078	214,973
ENDING FUND BALANCE		430,323	(186,399)	992,623	547,078	214,973	377,928

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 15/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
401	TAXES	1,424	0	(815)	(815)	(1,000)	0
600	CHARGES FOR SERVICES	110,932	85,875	78,719	85,875	85,875	0
664	INTEREST AND RENTS	11,946	0	4,443	7,500	0	0
671	OTHER REVENUE	40,012	0	42,000	42,000	0	0
699	OPERATING TRANSFERS IN	255,000	0	0	0	0	0
TOTAL ESTIMATED REVENUES		419,314	85,875	124,347	134,560	84,875	0
APPROPRIATIONS							
800	OTHER SERVICES AND CHARGES	803,879	2,917,300	126,196	739,716	2,822,940	0
TOTAL APPROPRIATIONS		803,879	2,917,300	126,196	739,716	2,822,940	0
NET OF REVENUES/APPROPRIATIONS - FUND 585		(384,565)	(2,831,425)	(1,849)	(605,156)	(2,738,065)	0
BEGINNING FUND BALANCE		15,118,758	14,734,194	14,734,194	14,734,194	14,129,038	11,390,973
ENDING FUND BALANCE		14,734,193	11,902,769	14,732,345	14,129,038	11,390,973	11,390,973

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 16/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
664	INTEREST AND RENTS	0	0	641	900	900	900
671	OTHER REVENUE	4,168,172	980,410	2,741,528	469,498	915,420	1,182,177
699	OPERATING TRANSFERS IN	212,640	0	0	0	0	0
TOTAL ESTIMATED REVENUES		4,380,812	980,410	2,742,169	470,398	916,320	1,183,077
APPROPRIATIONS							
701	PERSONAL SERVICES	4,072,085	112,553	2,496,299	106,663	414,074	782,565
726	SUPPLIES	5	0	35	36	1,100	100
800	OTHER SERVICES AND CHARGES	608,574	1,291,748	(116,281)	(57,208)	825,619	600,619
TOTAL APPROPRIATIONS		4,680,664	1,404,301	2,380,053	49,491	1,240,793	1,383,284
NET OF REVENUES/APPROPRIATIONS - FUND 659		(299,852)	(423,891)	362,116	420,907	(324,473)	(200,207)
BEGINNING FUND BALANCE		2,583,897	2,284,048	2,284,048	2,284,048	2,704,955	2,380,482
ENDING FUND BALANCE		2,284,045	1,860,157	2,646,164	2,704,955	2,380,482	2,180,275

APPENDIX C, BUDGET SUMMARY, 2016-17 FISCAL YEAR

Page: 17/17

ACCOUNT CLASSIFICATION	DESCRIPTION	2013-14 ACTIVITY	2014-15 AMENDED BUDGET	2014-15 ACTIVITY THRU 04/30/15	2014-15 PROJECTED ACTIVITY	2015-16 MAYOR REC. BUDGET	2016-17 MAYOR REC. BUDGET
ESTIMATED REVENUES							
664	INTEREST AND RENTS	0	0	1,069	1,400	1,400	1,400
671	OTHER REVENUE	519,285	645,465	112,683	122,758	476,961	477,196
	TOTAL ESTIMATED REVENUES	519,285	645,465	113,752	124,158	478,361	478,596
APPROPRIATIONS							
701	PERSONAL SERVICES	487,302	645,465	471,927	701,149	476,961	477,196
800	OTHER SERVICES AND CHARGES	(404,335)	0	(110,353)	(110,353)	4,600	0
	TOTAL APPROPRIATIONS	82,967	645,465	361,574	590,796	481,561	477,196
NET OF REVENUES/APPROPRIATIONS - FUND 677							
	BEGINNING FUND BALANCE	436,318	0	(247,822)	(466,638)	(3,200)	1,400
	ENDING FUND BALANCE	33,519	469,838	469,838	469,838	3,200	0
		469,837	469,838	222,016	3,200	0	1,400
ESTIMATED REVENUES - ALL FUNDS							
	APPROPRIATIONS - ALL FUNDS	53,253,354	47,661,332	43,608,134	49,696,781	52,868,149	52,560,915
	NET OF REVENUES/APPROPRIATIONS - ALL FUNDS	46,737,034	53,148,461	37,004,887	45,748,162	60,849,285	56,813,602
		6,516,320	(5,487,129)	6,603,247	3,948,619	(7,981,136)	(4,252,687)
BEGINNING FUND BALANCE - ALL FUNDS							
	ENDING FUND BALANCE - ALL FUNDS	26,827,753	33,344,089	33,344,089	33,344,089	37,292,708	29,311,572
		33,344,073	27,856,960	39,947,336	37,292,708	29,311,572	25,058,885

Appendix D

Ordinance No. 2xxx

An Ordinance to appropriate the sums of money necessary to meet the expenditures set forth in the budget recommended for the operation of the City of Pontiac, Michigan; to defray the debts, expenditures, and liabilities of said City for the fiscal year beginning the first day of July, 2016.

The City of Pontiac Ordains:

Section 1. Title.

This ordinance shall be known as the City of Pontiac 2016-2017 General Appropriations Act.

Section 2. Public Hearing on the Budget.

Pursuant to MCLA 141.412 and .413, notice of a public hearing on the proposed budget was published in The Oakland Press, a newspaper of general circulation on Saturday, May 30, 2015 and a public hearing on the proposed budget was held on Thursday, June 4, 2015.

Section 3. Millage Levy, Administration Fee, and Penalties.

In 2016, the City Council shall hold a public hearing in accordance with the General Property Tax Act on the millage rates required to support this adopted budget. The City Council shall levy the millage rates necessary to support this adopted budget. The City Treasurer is hereby authorized to impose a one percent (1%) property tax administration fee for all property taxes due, and a late penalty charge when applicable, in conformance with Section 44 of Public Act 206 of 1893.

Section 4. Adoption of budget by Function.

The City Council of the City of Pontiac adopts the 2016-2017 fiscal year budgets for the various funds by function. City officials responsible for the expenditures authorized in the budget may expend City funds up to, but not to exceed, the total appropriation authorized for each function.

Section 5. Payment of Bills.

Pursuant to the Local Financial Stability and Choice Act and the Accounting Procedures Manual for Local Governments in Michigan, all claims (bills) against the City shall be, approved by the Finance Director of the City of Pontiac prior to being paid.

Section 6: Estimated Revenues and Expenditures--Estimated total revenues and expenditures, including transfers in and out and other sources, for the various funds of the City of Pontiac beginning July 1, 2016 are:

<u>Fund Number</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
101	General	\$ 31,097,388.00	\$ 31,849,183.00
202	Major Street	\$ 3,261,000.00	\$ 4,967,655.00
203	Local Street	\$ 1,471,500.00	\$ 3,018,245.00
212	Senior Activities	\$ 298,116.00	\$ 361,200.00
226	Sanitation Fund	\$ 3,851,395.00	\$ 4,047,809.00
231	Cable	\$ 130,000.00	\$ 130,000.00
239	TIFA District 2	\$ 573,570.00	\$ 573,570.00
240	TIFA District 3	\$ 1,768,644.00	\$ 1,768,644.00
243	Brownfield Redevelopment Authority	\$ 31,724.00	\$ 31,724.00
249	Building Department	\$ 2,990,000.00	\$ 2,914,142.00
265	Drug Enforcement	\$ 40,000.00	\$ 68,000.00
276	District Court	\$ 2,696,750.00	\$ 2,696,750.00
280	Public Act 48	\$ 190,000.00	\$ 190,000.00
445	Capital Improvement	\$ 2,499,155.00	\$ 2,336,200.00
659	Insurance	\$ 1,183,077.00	\$ 1,383,284.00
677	Self-Insurance Wk Comp	\$ 478,596.00	\$ 477,196.00

with expenditure authorization by function as herein provided:

General Fund

ESTIMATED REVENUES

Taxes	18,424,668
Licenses and Permits	575,000
State Grants	9,632,084
Federal Grants	0
Charges for Services	401,260
Interest and Rents	236,616
Other Revenue	<u>1,431,760</u>
TOTAL ESTIMATED REVENUES	30,857,388
Transfers In and Other Uses	240,000

APPROPRIATIONS

General Government	4,204,415
Public Safety	19,341,462
Public Works	1,530,825
Community and Economic Development	2,157,083
Recreation and Culture	348,257
Other Functions	<u>1,773,627</u>
TOTAL APPROPRIATIONS	29,355,696
Transfers Out and Other Uses	2,493,514

	NET OF	
General Fund	REVENUES/APPROPRIATIONS	(698,962)
	Estimated Beginning Fund Balance	7,130,734
	Estimated Ending Fund Balance	6,378,939

Major Street Fund

ESTIMATED REVENUES

State Grants	3,260,000
Interest and Rents	<u>1,000</u>
TOTAL ESTIMATED REVENUES	3,261,000

APPROPRIATIONS

Public Works	<u>4,496,655</u>
TOTAL APPROPRIATIONS	4,496,655
Transfers Out and Other Uses	471,100

	NET OF	
Major Street Fund	REVENUES/APPROPRIATIONS	(1,706,655)
	Estimated Beginning Fund Balance	2,646,103
	Estimated Ending Fund Balance	939,448

Local Street Fund

ESTIMATED REVENUES

State Grants	1,000,000
Interest and Rents	<u>500</u>
TOTAL ESTIMATED REVENUES	1,000,500
Transfers In and Other Sources	471,000

APPROPRIATIONS

Public Works	<u>3,018,245</u>
TOTAL APPROPRIATIONS	3,018,245
Transfers Out and Other Uses	0

	NET OF	
Local Street Fund	REVENUES/APPROPRIATIONS	(1,546,745)
	Estimated Beginning Fund Balance	2,240,372
	Estimated Ending Fund Balance	693,627

Senior Activities

ESTIMATED REVENUES

Taxes	288,516
Interest and Rents	<u>9,600</u>
TOTAL ESTIMATED REVENUES	298,116
Transfers In and Other Sources	0

APPROPRIATIONS

Recreation and Culture	<u>361,200</u>
TOTAL APPROPRIATIONS	361,200
Transfers Out and Other Uses	0

	NET OF	
Senior Activities Fund	REVENUES/APPROPRIATIONS	(63,084)
	Estimated Beginning Fund Balance	331,825
	Estimated Ending Fund Balance	268,741

Sanitation Fund

ESTIMATED REVENUES

Taxes	1,545,345
Charges for Services	2,305,000
Interest and Rents	<u>1,050</u>
TOTAL ESTIMATED REVENUES	3,851,395
Transfers In and Other Sources	0

APPROPRIATIONS

Public Works	<u>4,047,809</u>
TOTAL APPROPRIATIONS	4,047,809
Transfers Out and Other Uses	0

	NET OF	
Sanitation Fund	REVENUES/APPROPRIATIONS	(196,414)
	Estimated Beginning Fund Balance	3,180,803
	Estimated Ending Fund Balance	2,984,389

Cable Fund

ESTIMATED REVENUES

Charges for Services	<u>130,000</u>
TOTAL ESTIMATED REVENUES	130,000
Transfers In and Other Sources	0

APPROPRIATIONS

General Government	<u>130,000</u>
TOTAL APPROPRIATIONS	130,000
Transfers Out and Other Uses	0

	NET OF	
Cable Fund	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	186,999
	Estimated Ending Fund Balance	186,999

Tax Increment Financing Authority**District 2**

ESTIMATED REVENUES

Taxes	136,223
Charges for Services	38,000
Other Revenue	<u>399,347</u>
TOTAL ESTIMATED REVENUES	573,570
Transfers In and Other Uses	0

APPROPRIATIONS

Debt Service	<u>573,570</u>
TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses	0

Tax Increment Financing District 2 Fund		NET OF	
		REVENUES/APPROPRIATIONS	0
		Estimated Beginning Fund Balance	(568,919)
		Estimated Ending Fund Balance	(568,919)
<u>Tax Increment Financing Authority</u>			
<u>District 3</u>			
ESTIMATED REVENUES			
	Taxes		1,165,455
	Other Revenue		<u>603,189</u>
		TOTAL ESTIMATED REVENUES	1,768,644
	Transfers In and Other Sources		0
APPROPRIATIONS			
	Debt Service		<u>1,768,644</u>
		TOTAL APPROPRIATIONS	1,767,644
	Transfers Out and Other Uses		0
 		NET OF	
Tax Increment Financing District 3 Fund		REVENUES/APPROPRIATIONS	0
		Estimated Beginning Fund Balance	(125,941)
		Estimated Ending Fund Balance	(125,941)
<u>Brownfield Redevelopment</u>			
<u>Authority</u>			
ESTIMATED REVENUES			
	Taxes		<u>31,724</u>
		TOTAL ESTIMATED REVENUES	31,724
	Transfers In and Other Sources		0
APPROPRIATIONS			
	Community and Economic Development		<u>31,724</u>
		TOTAL APPROPRIATIONS	31,724
	Transfers Out and Other Uses		0
 		NET OF	
Brownfield Redevelopment Authority		REVENUES/APPROPRIATIONS	0
	Fund	Estimated Beginning Fund Balance	0
		Estimated Ending Fund Balance	0

Building Department Fund

ESTIMATED REVENUES

Licenses and Permits	2,910,000
Charges for Services	<u>15,000</u>
TOTAL ESTIMATED REVENUES	2,925,000
Transfers In and Other Sources	65,000

APPROPRIATIONS

Public Safety	<u>2,914,142</u>
TOTAL APPROPRIATIONS	2,914,142
Transfers Out and Other Uses	0

	NET OF	
Building Inspection Fund	REVENUES/APPROPRIATIONS	75,858
	Estimated Beginning Net Assets	100,535
	Estimated Ending Net Assets	176,393

Drug Enforcement Fund

ESTIMATED REVENUES

Fines and Forfeits	<u>40,000</u>
TOTAL ESTIMATED REVENUES	40,000
Transfers In and Other Sources	0

APPROPRIATIONS

Public Safety	<u>68,000</u>
TOTAL APPROPRIATIONS	68,000
Transfers Out and Other Uses	0

	NET OF	
Drug Enforcement Fund	REVENUES/APPROPRIATIONS	(28,000)
	Estimated Beginning Fund Balance	202,632
	Estimated Ending Fund Balance	174,632

District Court Fund

ESTIMATED REVENUES

State Sources	182,896
Charges for Services	783,250
Fines and Forfeits	959,000
Other Revenue	<u>(6,910)</u>
TOTAL ESTIMATED REVENUES	1,918,236
Transfers In and Other Sources	778,514

APPROPRIATIONS

General Government	<u>2,696,750</u>
TOTAL APPROPRIATIONS	2,969,750
Transfers Out and Other Uses	0

District Court Fund		NET OF	
		REVENUES/APPROPRIATIONS	0
		Estimated Beginning Fund	
		Balance	0
		Estimated Ending Fund Balance	0
<u>PA 48 Telecommunications Fund</u>			
ESTIMATED REVENUES			
State Grants			<u>190,000</u>
	TOTAL ESTIMATED REVENUES		190,000
Transfers In and Other Sources			0
APPROPRIATIONS			
Public Works			<u>0</u>
	TOTAL APPROPRIATIONS		0
Transfers Out and Other Uses			190,000
PA 48 Telecommunications Fund		NET OF	
		REVENUES/APPROPRIATIONS	0
		Estimated Beginning Fund	
		Balance	0
		Estimated Ending Fund Balance	0
<u>Capital Improvement</u>			
ESTIMATED REVENUES			
Taxes			809,155
Charges for Services			<u>40,000</u>
	TOTAL ESTIMATED REVENUES		849,155
Transfers In and Other Sources			1,650,000
APPROPRIATIONS			
General Government			430,000
Public Works			1,906,200
Other Functions			<u>0</u>
	TOTAL APPROPRIATIONS		2,336,200
Transfers Out and Other Uses			0
Capital Improvement Fund		NET OF	
		REVENUES/APPROPRIATIONS	162,955
		Estimated Beginning Fund	
		Balance	214,973
		Estimated Ending Fund Balance	377,928

Insurance Fund**ESTIMATED REVENUES**

Interest and Rents	900
Other Revenue	<u>1,182,177</u>

TOTAL ESTIMATED REVENUES	1,183,077
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Transfers In and Other Sources	0
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APPROPRIATIONS

General Government	46,113
Other Functions	<u>1,337,171</u>

TOTAL APPROPRIATIONS	1,383,284
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Transfers Out and Other Uses	0
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Insurance Fund	NET OF	
	REVENUES/APPROPRIATIONS	(200,207)
	Estimated Beginning Net Assets	2,380,482
	Estimated Ending Net Assets	2,180,275

Self-Insurance Workers' Compensation Fund**ESTIMATED REVENUES**

Interest and Rents	1,400
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Other Revenue	<u>477,196</u>
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TOTAL ESTIMATED REVENUES	478,596
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Transfers In and Other Sources	0
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APPROPRIATIONS

Other Functions	<u>477,196</u>
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TOTAL APPROPRIATIONS	477,196
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Transfers Out and Other Uses	0
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Self-Insurance Worker's Compensation Fund	NET OF	
	REVENUES/APPROPRIATIONS	1,400
	Estimated Beginning Net Assets	0
	Estimated Ending Net Assets	1,400

Section 7. Specific Appropriations.

There are no specific appropriations contained in the budget.

Section 8. Periodic Financial Reports.

The Finance Director shall provide the City Administrator, Mayor, and City Council financial reports on a monthly basis.

Section 9. Budget Monitoring and Amending.

Whenever it appears to the Mayor that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation upon which appropriations from such fund were based, the Mayor shall present to the Finance Director recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend accounts within functions in a fund and among functions in a fund during the fiscal year provided that such amendments do not change the total revenues or total expenditures for the fund as approved by the City Council. If the total revenues or the total expenditures, including transfers in and out and other sources and uses within a single fund must be changed, then the Mayor and Finance Director shall present such amendment to the City Council for approval.

Section 10. Severability.

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause, or provision declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

Section 11. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 12. Publication.

The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 13. Effective Date.

This Ordinance shall be effective ten days after date of adoption and approval by the Transition Advisory Board.